

2007 Group Insurance Open Enrollment Brochure

OPEN ENROLLMENT

It is **important** to review the entire contents of this brochure as you may want or need to make health insurance plan changes. Benefit elections and changes will become effective January 1, 2007.

What you need to know...

- Open Enrollment starts Oct. 2 and ends Nov. 3.
- Please see "Who Should Complete a 2007 Enrollment Form?" on page 7.
- There will be no change in insurance carriers for 2007.
- All medical plans have benefit changes and premium increases. Please read brochure carefully.
- SecureHorizons Direct members will automatically transfer back to the Senior Supplement Plan with improved prescription drug coverage (see page 2).
- PPO plan members will need to re-enroll in one of the new PPO plans (see page 1).
- Monthly dental plan premiums will not change.
- Open Enrollment meetings are scheduled (see pages 13 and 14).



Medical

Medical



Fitness

Fitness



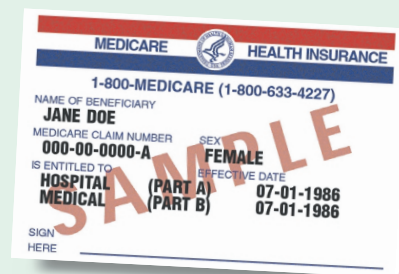
Prescription Drugs

Prescription Drugs



Dental

Dental



Medicare

Medicare



ARIZONA STATE RETIREMENT SYSTEM

3300 North Central Avenue • PO Box 33910 • Phoenix, AZ 85067-3910 • Phone (602) 240-2000
7660 East Broadway Boulevard • Suite 108 • Tucson, AZ 85710-3776 • Phone (520) 239-3100
Toll Free Outside Metro Phoenix and Tucson 1-800-621-3778

Dear Retired Member:

This brochure is intended to assist retired members of the Arizona State Retirement System (ASRS), Public Safety Personnel Retirement System, Corrections Officer Retirement Plan, Elected Officials' Retirement Plan, and the University Optional Retirement Plans in making informed decisions about participating in the ASRS retiree health care program during this open enrollment period.

The information contained in this brochure explains, in summary fashion, the benefits of enrolling in the ASRS retiree health care program. The ASRS program includes choices of medical and dental plans, a prescription discount drug card applicable to all retirees whether or not enrolled in the ASRS program, and the SilverSneakers fitness program. There are other useful and important topics also covered in this brochure such as premiums for the insurance plans, explanation of the Premium Benefit Program, an overview of your Medicare benefits, various worksheets, and instructions on how to complete the enrollment process.

Our enrolled members have enjoyed premiums and, for the most part, plan provisions that have remained unchanged for five years. Our efforts to negotiate fairly on behalf of our members with our health insurance providers (PacifiCare's medical plans and Assurant's dental plans) have led to stability and consistency in plan premiums and administration. However, two converging situations occurred during this most recent negotiation with PacifiCare: Medicare lowered its reimbursement provisions and medical expense trend lines increased substantially. As a result, medical plan premiums will increase for 2007 and some plan provisions will be modified to mitigate the upward pressure on premiums. Please read this brochure to learn how and to what extent you will be affected. The ASRS remains committed to provide retiree health care plans that are affordable, accessible and manage costs to lessen the impact on premiums. Please see the chart at the end of this letter for a summary of the 2007 medical plans monthly premiums.

This year's open enrollment period will occur from October 2 through November 3, 2006. This open enrollment packet contains all you need to make informed decisions about the medical and/or dental plans in which you are currently enrolled. If you are not currently enrolled through the ASRS, this packet will help you choose the health insurance coverage most suitable for you. Your selection(s) will become effective January 1, 2007.

Continued on the next page



ARIZONA STATE RETIREMENT SYSTEM

3300 North Central Avenue • PO Box 33910 • Phoenix, AZ 85067-3910 • Phone (602) 240-2000
 7660 East Broadway Boulevard • Suite 108 • Tucson, AZ 85710-3776 • Phone (520) 239-3100
 Toll Free Outside Metro Phoenix and Tucson 1-800-621-3778

As always, if you have questions about any aspect of your retirement benefits or your retiree health care plans, an ASRS Benefits Advisor in our Member Services Division is available to respond to your questions and concerns. Likewise, assistance may be received from the Public Safety Personnel Retirement System staff if you are a retiree of that retirement system or the Corrections Officer or Elected Officials retirement plans. Phone numbers and Web-site addresses are listed on the inside back cover of this brochure.

A special ASRS open enrollment phone line has been added. Please see page 12.

Sincerely,

Paul Matson
 Director

	2006 Current Premium	2007 Premium	2007 % Increase	2007 \$ Increase
Medicare Advantage HMO				
Urban	\$137.48	\$145.00	5.47%	\$7.52
Rural	\$199.00	\$210.00	5.53%	\$11.00
Senior Supplement	\$316.35	\$342.00	8.11%	\$25.65
Non-Medicare HMO	\$403.79	\$454.00	12.43%	\$50.21
Non-Medicare PPO				
Urban	\$600.00	\$765.00	27.50%	\$165.00
\$1000 deductible		\$680.00	13.33%	\$80.00
\$1500 deductible				
Rural	\$420.00	\$609.00	45.00%	\$189.00
\$1000 deductible		\$495.00	17.86%	\$75.00
\$1500 deductible				
Non-Medicare Indemnity	\$846.40	\$871.00	2.91%	\$24.60



ARIZONA STATE RETIREMENT SYSTEM

3300 North Central Avenue • PO Box 33910 • Phoenix, AZ 85067-3910 • Phone (602) 240-2000
7660 East Broadway Boulevard • Suite 108 • Tucson, AZ 85710-3776 • Phone (520) 239-3100
Toll Free Outside Metro Phoenix and Tucson 1-800-621-3778

Dear SecureHorizons Direct Enrolled Member:

PacifiCare Life and Health Insurance Company (PacifiCare) and the Arizona State Retirement System (ASRS) are pleased to provide you with this benefits announcement for 2007. The SecureHorizons Direct Medicare Advantage Private Fee for Service plan will change. Effective January 1, 2007, current SecureHorizons Direct members will automatically be enrolled in PacifiCare's Senior Supplement Plan. You will not need to complete any paperwork unless you decide to elect other coverage. Otherwise your enrollment will transition electronically.

PacifiCare's Senior Supplement Plan is a health insurance plan designed to help meet the health care needs of people who are enrolled in both Medicare Parts A and B. Senior Supplement helps cover the difference between what Medicare pays and what your doctor or hospital charges. With the Senior Supplement Plan, you have the freedom to obtain medical care from any physician or hospital that accepts Medicare. PacifiCare's Senior Supplement Plan acts as the secondary payer to Medicare, with Medicare picking up the first 80% of approved Medicare charges.

Details of plan provisions, deductibles, co-payments, prescription drug benefits, and premium changes may be found in this brochure.

Member Rights Notification

The Centers for Medicare and Medicaid Services (CMS) requires that members receive a specific notification if a member wishes to terminate their ASRS Medicare eligible medical plan. This notice informs members that they have a right to continue with an individual Medicare Advantage plan sponsored by Secure Horizons but separate from the ASRS; and, they have a right to contact Medicare to learn about medical plan options that Medicare may offer.

If you continue to be enrolled with the ASRS for the 2007 plan year, this specific notification does not apply to you.

Notification

You may have another medical insurance plan option available to you through the ASRS. For eligible retirees, ASRS offers a Medicare Advantage (MA) HMO plan. To select this plan, you must so indicate that election on your 2007 ASRS enrollment form and also complete a Secure Horizons Statement of Understanding (SOU) as outlined on page 35 of the open enrollment brochure.

If you decline health coverage through ASRS for the 2007 plan year, please check the appropriate box on the ASRS enrollment form. Please note that if you waive coverage through ASRS for the 2007 plan year, you should read and be aware that your next available option for ASRS enrollment is the next open enrollment period in the fall of 2007. You may contact Medicare for information on other Medicare plan options that are available to you. Contact Medicare at 1-800-MEDICARE (1-800-633-4227) for more information. TTY users should call 1-877-486-2048.

Continued on the next page



ARIZONA STATE RETIREMENT SYSTEM

3300 North Central Avenue • PO Box 33910 • Phoenix, AZ 85067-3910 • Phone (602) 240-2000
7660 East Broadway Boulevard • Suite 108 • Tucson, AZ 85710-3776 • Phone (520) 239-3100
Toll Free Outside Metro Phoenix and Tucson 1-800-621-3778

Secure Horizons also has other Medicare Advantage options available if you wish to remain enrolled in an individual plan sponsored by Secure Horizons. You may call Secure Horizons Customer Service at 1-800-347-8600, or for the hearing impaired at TTY 1-800-557-7595. Secure Horizons Customer Service is available Monday through Friday from 8:00AM to 10:00PM EST.

SPECIAL NOTE TO 2006 SECUREHORIZONS DIRECT MEDICARE PRIVATE FEE FOR SERVICE MEMBERS THAT WAIVE ASRS COVERAGE FOR 2007 - REINFORMATION ABOUT MEDIGAP RIGHTS

If you will be changing to the Original (Traditional) Medicare Plan, you might have a special temporary right to buy a Medigap policy, also known as Medicare supplement insurance, even if you have health problems. Federal law requires the protections described above. The State of Arizona provides Medigap protection. If you have questions about Medigap or any special temporary right you may have, you should contact the State Health Insurance Program at 1-800-432-4040 to get more information about Medigap policies in Arizona. Call 1-800-MEDICARE (1-800-633-4227) for more information about trial periods. TTY users should call 1-877-486-2048.

Table of Contents

Improvements, Changes and Important Information	1-2
2007 ASRS Enrollment at a Glance	3-4
How to Complete Your 2007 Enrollment Form	5-6
About This Brochure	6
Overview of 2007 Retiree Group Health Insurance Program	7-12
Health Insurance Open Enrollment Meetings	13-14
Cost of Coverage	15-17
Calculating Your Monthly Health Insurance Cost	18-19
Retiree Health Insurance Premium Benefit Program	20
Additional Temporary Premium Benefit Amounts	21-22
ASRS Retiree Medical Plans	23
What Medical Plan am I eligible for?	24
Becoming Medicare Eligible	25
Comparison of Benefits	26
2007 Medicare Eligible Retiree Benefits Comparison Chart	27-28
2007 Non-Medicare Eligible Retiree Benefits Comparison Chart	29-34
Statement of Understanding (SOU)	35
Secure Horizons Disenrollment Form	36
Understanding Your Prescription Drug Benefit	36-37
PacifiCare's Vision Care Benefits	38-40
ASRS Retiree Medical Plans Sample ID Cards	41-42
ASRS Retiree Dental Plans	43
Important Things to Consider When Making Your Dental Coverage Election	44
Assurant Dental Plan Comparison Chart	45-46
Assurant Vision Service Plan (VSP)	47
ASRS Retiree Dental Plans Sample ID Cards	48
Your Medicare Benefits	49-50
The SilverSneakers Fitness Program	51-52
PacifiCare's Caregiver Program	53-54
Pension Checks	55
Your Pension Check, Health Insurance Premiums and Premium Benefit	55
**** Copy of an ASRS Pension Check ****	56
ScriptSave, Your Prescription Drug Discount Card Program	57
Glossary	58-61
Frequently Asked Questions	62-67
Telephone Numbers & Websites	Inside Back Cover



Improvements, Changes and Important Information Regarding the 2007 ASRS Retiree Health Care Program

ASRS Board approves Assurant's and PacifiCare's 2007 health care proposals

The ASRS Board voted to accept the recommendation of the all-retiree Health Insurance Advisory Committee to continue its contract with Assurant Employee Benefits at its August 18, 2006 public meeting. The 2007 renewal keeps dental premiums at current 2006 levels. Please see pages 43 through 46 for greater details of Assurant's dental plans.

The Board also voted to accept the recommendation of the Health Insurance Advisory Committee to approve premium increases and medical plan provision changes with respect to all ASRS retiree medical plans. Please see pages 23 through 34 for greater details of PacifiCare's medical plans.

All PacifiCare PPO Plan members must re-enroll to maintain coverage

The non-Medicare PPO plan will change effective January 1, 2007, giving plan participants a choice of a high or low deductible PPO plan. **All currently enrolled PPO plan members must complete and submit an enrollment form if continued coverage is desired.** PPO plan members may enroll in either the non-Medicare HMO plan or in the low or high deductible PPO plan. Please remember, medical services and treatment through the HMO plan must be received from a Primary Care Physician in a designated service area which includes only Maricopa, Pima and Pinal counties. PPO plan members receive the highest plan benefits when medical services and treatment are provided by PacifiCare contracted "participating" providers.

The Medicare Modernization Act (MMA) of 2003

The MMA authorizes the Centers for Medicare and Medicaid Services (CMS) to provide prescription drug coverage to eligible seniors and disabled individuals beginning January 1, 2006. CMS undertook a mailing campaign to its eligible population informing them of this new prescription drug benefit and requesting of them to consider enrolling in the new Part D coverage.

Every Medicare eligible ASRS retired or disabled member enrolled in PacifiCare's Medicare Advantage Plan or SecureHorizons Direct (soon to become the Senior Supplement Plan) will not have to enroll in a separate Part D plan because enrollment in either PacifiCare Medicare eligible plan automatically enrolls you in Part D. And, PacifiCare will even pay your Part D premium. Please see pages 23 through 34 for greater detail of PacifiCare's plans and how they will benefit you.

Rural Subsidy continues for Medicare eligible retirees

Medicare eligible retirees living in Mohave, Gila, Navajo, and Apache counties will continue to be eligible to receive the "rural subsidy" to help pay for retiree health care premiums. This additional temporary premium benefit is scheduled to expire June 30, 2007. The rural subsidy is available to Medicare eligible retirees who do not live in an HMO service area.

The Senior Supplement Plan will return and prescription drug coverage will increase

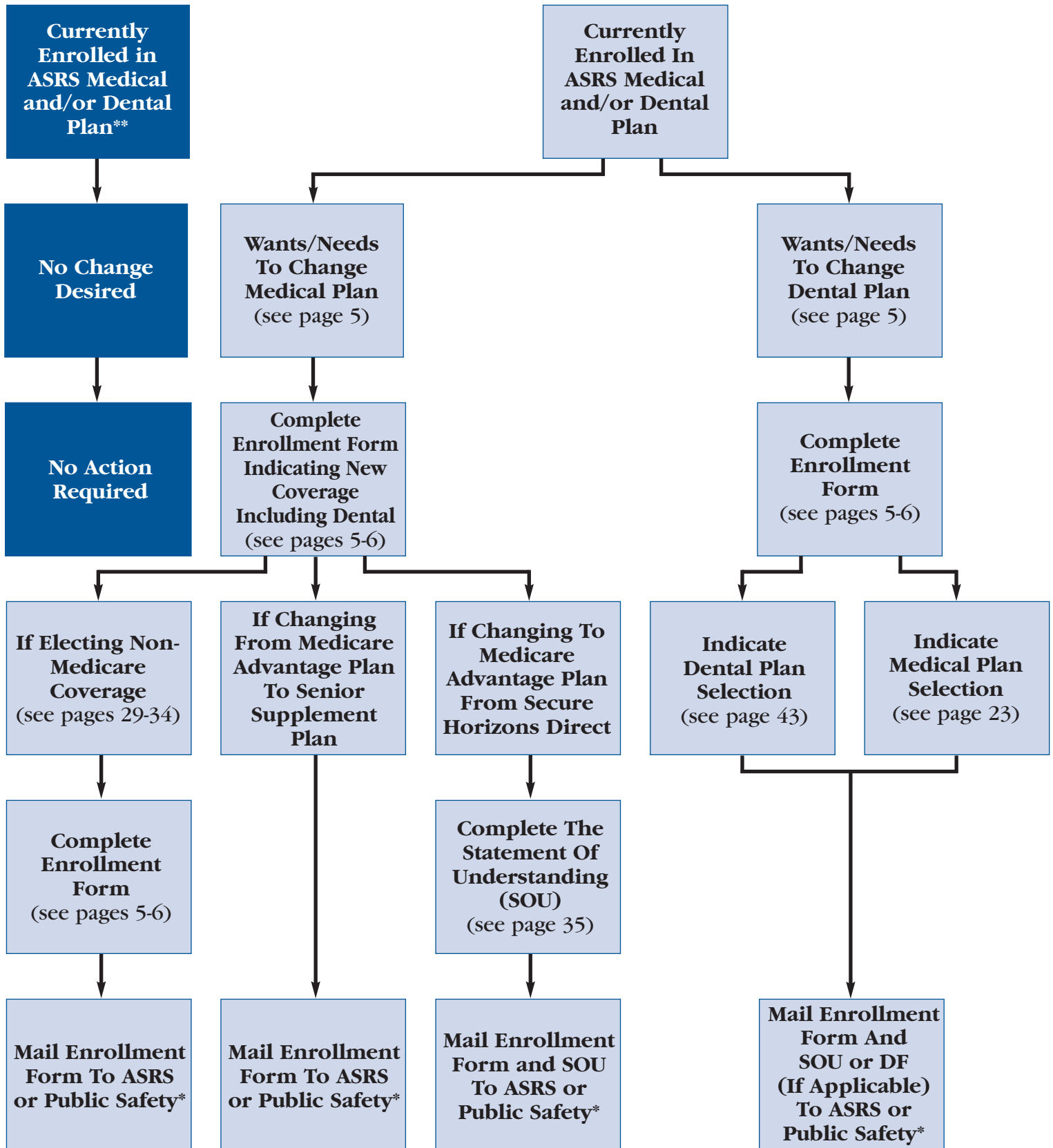
Members enrolled in the SecureHorizons Direct plan will automatically transfer back to the Senior Supplement plan on January 1, 2007. There will be three significant changes: a \$100 calendar year deductible will be required before plan benefits are paid and prescription drug co-payments will remain at \$10 for generic drugs but increase to \$35 for brand name drugs. The maximum annual prescription drug benefit will increase from \$2,250 to \$2,400 effective January 1, 2007. Please see pages 23 through 34 for greater detail of PacifiCare's plans.

ADOA's Open Enrollment

ADOA's open enrollment for their enrolled retired members will be October 2 through October 27. ADOA's plan year is also January through December. ADOA, PSPRS, EORP and CORP retired and disabled members will also receive their open enrollment packets during the latter part of September, 2006.

At the time this brochure was printed, ADOA had not published its premiums for their retiree health care plans for 2007. As a result, ADOA's retiree plans premiums will not be found in this brochure for this open enrollment. ADOA enrolled retired members will have to review ADOA's open enrollment packet for premium information.

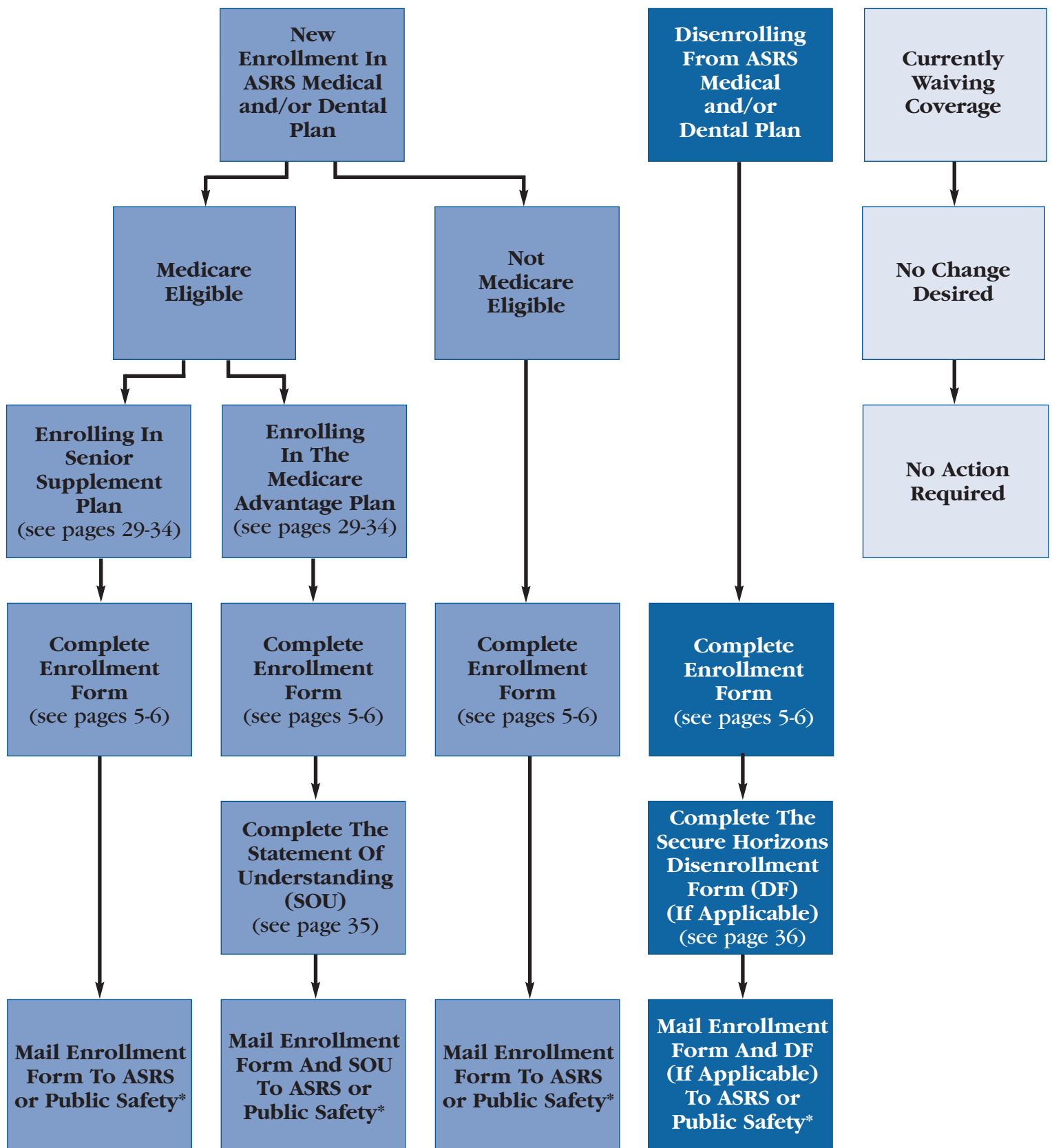
ASRS 2007 Open



*Mail enrollment form to Public Safety **only** if you are a member of PSPRS, CORP, or EORP.

**Currently enrolled PPO members must re-enroll to continue coverage.

Enrollment At A Glance



*Mail enrollment form to Public Safety **only** if you are a member of PSPRS, CORP, or EORP.

How to Complete Your 2007 Enrollment Form

If you are enrolled in the Medicare Advantage HMO plan, SecureHorizons Direct (soon to become the Senior Supplement Plan), the non-Medicare HMO plan, or the Indemnity plan, your current ASRS benefit elections will automatically carry forward to 2007, unless you make a change in plan coverage. All PPO plan members must re-enroll in one of the new PPO plans if continued coverage is desired. If you need or want to make a change, you *must* complete this form if you want to be covered by the ASRS retiree health care plans. Submission of a properly completed enrollment form is required if you:

- are enrolled in the PPO plan,
- are electing a different medical plan,
- are electing a different dental plan,
- are adding or deleting dependents,
- are declining coverage,
- are a new enrollee with the ASRS,
- become Medicare eligible in January, 2007, or
- move your primary residence which would cause a change in health care plan eligibility.

Section 1

- Effective date - for open enrollment is January 1, 2007.
- Check box next to open enrollment.
- If you do not want ASRS medical coverage - check Decline Medical Coverage.
- If you do not want ASRS dental coverage - check Decline Dental Coverage.
- Check box that applies: Retired, Disabled, Survivor.

Section 2

- This is the section to provide your name, social security number, address, etc.

Section 3

- If you are enrolling, indicate which Medical Insurance Plan you are electing.

Section 4

- If you are enrolling, indicate which Dental Insurance Plan you are electing.
- Prepaid Dental Plans only-include Dentist ID# from Assurant's Provider Directory.
- If you are unsure what to include, please contact Assurant at 1-800-443-2995.

Section 5

- List yourself and all other eligible individuals you are including as dependents.
- For HMO and Medicare Advantage Plan only-indicate the names of the Primary Care Physician and Network you are choosing. These are listed in the PacifiCare Provider Directories. If you are unsure what to list, please contact PacifiCare at 1-800-347-8600.

Section 6

- Sign and date the form.
- **KEEP THE GREEN COPY FOR YOUR RECORDS.**

How to Complete Your 2007 Enrollment Form Continued

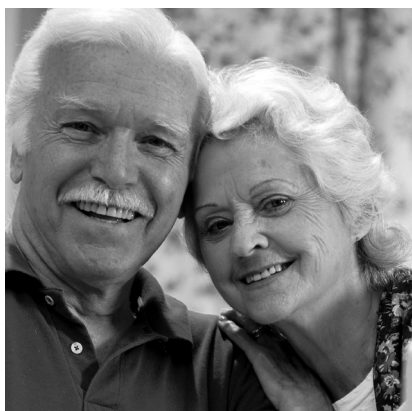
ADDITIONAL INFORMATION YOU *MAY* NEED TO PROVIDE

- If you are enrolling for the first time in the ASRS Medicare Advantage Plan complete the Statement of Understanding. (See page 35)
- If you are enrolling for the first time in either ASRS Medicare plan, you need to provide a **copy of your Medicare card** along with your enrollment form.

- If you are terminating your Medicare Advantage Plan, complete the Secure Horizons Disenrollment Form. (see page 36)

IF YOU ARE ENROLLING FOR THE FIRST TIME OR ARE MAKING A CHANGE, YOUR COMPLETED ENROLLMENT FORM MUST BE RECEIVED NO LATER THAN November 3, 2006 OR YOU WILL NOT BE ENROLLED!

About This Brochure



About This Brochure

About This Brochure

Information provided in this brochure is intended solely as a guide to help you make important enrollment decisions.

The benefits described are highlights of the Arizona State Retirement System's (ASRS) retiree health insurance program.

This brochure constitutes a brief summary of the ASRS' official plan documents and contracts that govern the plans. If there is any discrepancy between the information in this brochure and the official documents, the official documents will always govern.

The Arizona State Retirement System reserves the right to change or terminate any of its plans, in whole or in part, at any time.

Published by:
Arizona State Retirement System
External Affairs Division
3300 North Central Avenue
Phoenix, AZ 85012

Overview of 2007 Retiree Group Health Insurance Program

Please read this entire brochure carefully.

The Arizona State Retirement System (ASRS) will conduct its 2007 retiree group health insurance program open enrollment beginning Monday, October 2, 2006, and concluding Friday, November 3, 2006. Coverage you select will become effective January 1, 2007. **The information in this brochure will assist you in making informed decisions about your health insurance coverage for 2007, as well as prepare you for any changes in deductions from pension checks or changes in premium amounts billed to you beginning January 1, 2007.**

Are there any changes in the health care plans offered by the ASRS for 2007?

Yes, ASRS medical plans will have changes on January 1, 2007:

- SecureHorizons Direct will change to Senior Supplement Plan;
- Senior Supplement Plan's annual maximum prescription drug benefit increases to \$2,400;
- Senior Supplement plan will have a \$100 calendar year deductible for inpatient and outpatient services;
- Prescription drug co-pays will increase in all medical plans;
- Premiums will increase in all medical plans; and,
- Members enrolled in the non-Medicare PPO plan must re-enroll in either high or low deductible plan.

Who is eligible to participate?

Open enrollment applies to any retired member of the ASRS, Public Safety Personnel Retirement System (PSPRS), Elected Officials'

Retirement Plan (EORP), Corrections Officer Retirement Plan (CORP), University Optional Retirement Plans (UORP), or any member who is receiving a long-term disability (LTD) benefit from the ASRS program and who is not enrolled in health benefits through his or her former employer. Members or any eligible dependents who have not taken the opportunity to enroll previously in one of the ASRS group medical or dental plans also will be able to enroll.

If you are currently enrolled for retiree health insurance with your former employer, please contact them for specific employer-related enrollment information.

Who should complete a 2007 Enrollment Form?

You **must** complete and return your 2007 Enrollment Form if you:

- are enrolled in the PPO plan,
- are electing a different medical plan,
- are electing a different dental plan,
- are adding or deleting dependents,
- are declining coverage,
- are a new enrollee with the ASRS,
- become Medicare eligible in January 2007, or
- move your primary residence which would cause a change in health care plan eligibility.

If you fall into one of these categories, and you want medical and/or dental insurance through the ASRS during 2007, you **must** complete a 2007 Enrollment Form in its entirety and return it by November 3, 2006.

Should every eligible member complete an enrollment form?

This is **not** a positive re-enrollment for most members. **No action on the part of a retired member or LTD recipient is required if you:**

- **are already enrolled** with the ASRS in a medical and/or dental plan **other than the PPO medical plan** and do not wish to make any changes,
- **are not currently enrolled** for ASRS coverage and do not wish to enroll for coverage at this time, or
- **are enrolled in your former employer's** health insurance program and do not want to change to the ASRS coverage.

However, PPO plan members must re-enroll in either the high or low deductible plan if continued coverage is desired.

Are you a retiree or LTD recipient enrolled in a health care plan provided by your employer?

If you are enrolled in a Participating Employer's health care plan and you wish to become enrolled in the ASRS retiree health care program, you must complete a health insurance enrollment form and return it to the ASRS or PSPRS, if applicable, by close of the open enrollment period (November 3) to have your ASRS coverage effective on January 1, 2007.

You should be aware when your employer conducts their open enrollment so that your coverage with them does not lapse before your ASRS coverage begins. Also, if you are receiving your employer's health care program because of a COBRA event, you should be aware when that coverage terminates. You have a 31-day grace period upon termination of your employer's COBRA coverage to enroll in an ASRS health care plan.

If you fail to enroll with the ASRS in a timely manner you will have to wait until the next

ASRS open enrollment period to complete a health insurance enrollment form and be eligible for the ASRS retiree health care program.

After I enroll in an ASRS retiree health care plan, when can I expect to receive my ID cards?

PacifiCare will mail your medical plan ID card(s) approximately 10 days prior to the first day of the month in which your medical plan becomes effective. Assurant also will mail your dental plan ID card(s) approximately 10 days prior to the first day of the month in which your dental plan becomes effective.

My current coverage is available next year and I do not want to change. What do I need to do?

Your coverage will automatically continue into next year. **It is not necessary to send any form to the ASRS or, if applicable, PSPRS.**

However, PPO plan members must re-enroll in either the high or low deductible plan if continued coverage is desired.

I wish to cancel my ASRS coverage. What do I need to do?

All cancellations must be in writing. You may use the ASRS or PSPRS, if applicable, enrollment form to decline medical and/or dental coverage or you may send a letter to cancel your coverage. Your termination request must be received by the ASRS or PSPRS, if applicable, prior to the first of the month in which you wish to cancel. Termination requests received after the first of the month will be applied to the first of the following month unless a future date is requested.

When does the group insurance open enrollment period end?

The open enrollment period for health insurance elections will close Friday, November 3, 2006. This means that if you are making new elections or adding or deleting dependents from your health insurance coverage, **your enrollment form must be received by the ASRS or PSPRS or be postmarked no later than midnight, Friday, November 3. You must do this in order for your requested election(s) to be effective on January 1, 2007.**

What will happen if I don't submit my enrollment form by November 3, 2006?

If you wish, or are required, to make a plan change and you fail to submit your completed enrollment form by the close date, **your election(s) will not become effective.**

Consequently, you may lose coverage and will not be eligible to re-enroll in the ASRS retiree health insurance program until the next open enrollment, which will take place in the autumn of 2007. However, should you experience a "qualifying event," as defined by law, during the course of the year, you may enroll in an ASRS retiree medical and/or dental plan at that time.

What is a "qualifying event?"

A "qualifying event" permits members to make certain mid-year changes to their benefits coverage that are **consistent** with the qualifying event. If you have a qualifying event and want to enroll or are required to make a change in your coverage, (i.e., add or delete dependents or are required to change your benefit plan), you must notify the ASRS or, if applicable, the Public Safety Personnel Retirement System (PSPRS) Member Services, **in writing**, within 31 days of the event to request a change. Following is a list of eligible qualifying events:

- **change in member's marital status -**

marriage, divorce, legal separation, annulment, death of spouse (i.e., enroll yourself and/or add or delete a spouse),

- **change in dependent status -** birth, adoption, placement for adoption, death, or dependent eligibility due to age, marriage, student status (i.e., enroll yourself and/or add or delete eligible dependents),
- **change in member's primary residence causing a change in benefit plan availability** (i.e., change medical and/or dental plans),
- **eligibility for Medicare -** member, spouse, dependent child (i.e., enroll yourself and add your eligible dependents in a medical and/or dental plan or, if enrolled, change medical plan of affected person),
- **significant change in spouse's group benefits plan cost or coverage** (i.e., enroll yourself if you are enrolled in your spouse's group benefit plan and/or add or delete eligible dependents),
- **significant change in Participating Employer's group benefits plan cost or coverage** (i.e., enroll yourself and add eligible dependents), and
- **termination of COBRA coverage -** member, spouse, dependent child (i.e., enroll yourself and/or add eligible dependents).

I am enrolled in an Arizona Department of Administration (ADOA) retiree health care plan. What are my enrollment options with the ASRS?

Study the open enrollment materials provided to you by the ADOA and the ASRS or PSPRS, if applicable. If, after you compare the ASRS retiree health care information, you believe that the ASRS or PSPRS, if applicable, may offer you a better value, then make new elections and return your enrollment form by November 3. You will also need to notify the

ADOA *in writing* if you would like to discontinue your health insurance benefits with ADOA effective December 31. The ASRS coverage will then become effective January 1. Please keep in mind that once you decide to enroll in ASRS benefits, you may no longer elect ADOA coverage in the future. On the other hand, if you are satisfied with your ADOA coverage, ignore the ASRS or PSPRS, if applicable, open enrollment packet and your ADOA benefits will continue.

ADOA's open enrollment closes on Friday, October 27, 2006. If it is your wish to remain with ADOA coverage, please respond, as appropriate, to ADOA by their deadline.

I am Medicare eligible. Do I have hearing benefits through my medical plan?

In addition to medically necessary hearing tests, treatments, and services, eligible participants in PacifiCare's Medicare Advantage Plan and the Senior Supplement Plan have hearing benefits provided by Arizona Hearcare Network (AHN). ASRS and AHN entered into an agreement which provides, at no additional premium increase to the participant, the following:

- \$25 co-payment for hearing evaluations;
- \$500 discount toward purchase of digital or programmable hearing aid every 12 months;
- \$300 discount towards purchase of standard or conventional hearing aid every 12 months; and,
- 20% discount on accessories and repairs.

You must show your PacifiCare ID card to be eligible for these benefits and you must use an Arizona Hearcare Network office. AHN locations are detailed in all PacifiCare provider directories, on the Web or through PacifiCare's Customer Service Center. See the inside back cover of this brochure for phone numbers and Web sites.

I am Medicare eligible. Do I have vision benefits through my ASRS medical plan?

If you are enrolled in the Medicare Advantage Plan:

You have coverage for routine eye exams (also called refractive eye exams) once every 12 months for a \$20 co-payment. These exams are only available through the Spectera Vision Network which includes Wal-Mart and Costco. For a complete list of providers go to www.spectera.com.

Your medical plan covers you for non-routine medically necessary eye exams for the diagnosis and treatment of diseases or medical conditions of the eye (such as, but not limited to, cataracts, glaucoma, diabetic, detached retina, etc). Again, these services are covered under your medical benefits and not under your routine vision benefit. You must use a contracted optometrist located in your medical plan provider directory and you may self-refer for these exams. Should you need the services of an ophthalmologist, the referral must be given by a contracted optometrist. The copayment for these office visits are \$20 per visit. For assistance in locating a contracted optometrist, you may also call PacifiCare's Customer Service at 1-800-347-8600.

In addition to eye exams, standard eyeglass lenses (single, bifocal and trifocal) are covered in full and you have a \$130 retail allowance toward frames. In lieu of eyeglasses, there is \$105 allowance toward contacts. Lenses and frames are covered once every 12 months. This benefit is only available through the Spectera Vision Network which includes Wal-Mart and Costco.

I am Medicare eligible. Do I have vision benefits through my ASRS medical plan? (Continued)

If you are enrolled in the Senior Supplement plan:

You have coverage for routine eye exams (also called refractive eye exams) after a \$20 deductible at a Spectera network provider. Eyeglass lenses (single, bifocal and trifocal) are covered in full, and you have a \$130 retail allowance toward frames. In lieu of eyeglasses, there is \$105 allowance toward contacts. Exams, lenses and frames are covered once every 12 months. You have the option to see any vision provider you wish. However, to maximize your savings use Spectera Vision Providers such as Wal-Mart and Costco.

You are also covered for diagnosis and treatment of diseases or medical conditions of the eye (non-routine services) that may require the services of an eye specialist. These services are not covered under your routine vision benefit. If you need the services of a specialist, you can self-refer to any Medicare contracted eye specialist. Please see pages 38 through 40 for greater details of PacifiCare's vision benefits.

Must I use the 2007 Enrollment Form?

The 2007 Enrollment Form will be the only enrollment form acceptable to enroll in, or make changes to, health insurance plan coverage. The enrollment form is included in the open enrollment packet along with a pre-addressed return envelope for your convenience.

Important reminder: If you want to make a change, please complete the enrollment form in its entirety. Even if you are only changing from one medical plan to another medical plan or from one dental plan to another dental plan, fill out the form completely. **Failure to check a plan coverage you**

want will indicate that you are not enrolling in that coverage. So, be thorough. If, in fact, you are declining coverage, please check the appropriate box(es). **A properly completed enrollment form must be received by the ASRS or PSPRS, if applicable, or be postmarked no later than midnight, Friday, November 3, 2006.**

Must I notify the ASRS or PSPRS of an address change?

Yes, all mailings, including pension and LTD benefit plan checks, quarterly newsletters, open enrollment and additional insurance information are delivered to the address of record on file with the ASRS or, if applicable, PSPRS. **It is always in your best interest to ensure a correct mailing address.**

While it is understood that many retirees and LTD recipients have direct deposit of their checks and others have seasonal or even secondary addresses (such as a PO Box), the address of the primary residence is key to the availability of medical plan options and their costs as well as the forwarding of important periodic information that may be time sensitive.

In short, it is your responsibility to let the ASRS or PSPRS know ***in writing*** when you have an address change.

How can I find out more about my health care choices?

All members, both active and retired, are encouraged to access the ASRS or, if applicable, PSPRS Web sites which are full of useful overviews and explanations regarding many topics of interest. The ASRS Web site may be found at www.asrs.state.az.us. The PSPRS Web site may be found at www.psprs.com.

What if I have questions or need additional help?

Beginning Monday, September 25, 2006, questions may be directed to **ASRS Member Services** at (602) 240-5350, in Tucson at (520) 239-3100, extension 5350, or from outside Phoenix and Tucson at (1-800) 621-3778, extension 5350. Please listen to the voice menu as it will assist you in speaking with the most appropriate person for your questions.

If applicable, questions may also be directed to **Public Safety Personnel Retirement System Member Services staff** at (602) 255-5575.

Also, you may contact PacifiCare and Assurant Benefits directly for assistance. Phone numbers and Web site addresses are located on the inside back cover of this brochure.

What is the ASRS Health Insurance Advisory Committee?

The ASRS has convened a committee of retiree representatives from various major public employee and retiree associations as well as the state's other retirement system and plans. The committee is charged with the responsibility of making recommendations to the ASRS Operations Committee of the Board regarding ASRS retiree health insurance plans; educating itself about the substantive issues affecting senior health care; serving as a sounding board for ideas and concerns to prevent or minimize systemic problems in the administration of retiree health care; and, providing insight and representation on the direction of "their" and "your" health care plans.

Committee members represent the following organizations:

- AZ Education Association - Retired
- AZ Federation of State, County, and Municipal Employees

- AZ Association of School Business Officials
- All AZ School Retirees Association
- ASU Retirees Association
- NAU Retirees Association
- Arizona State Retired Employees Association
- Public Safety Personnel Retirement System
- League of Cities and Towns
- Maricopa County Community College Retiree Association
- UA Retirees Association
- AZ School Administrator's Association
- Corrections Officer Retirement Plan
- Elected Officials' Retirement Plan
- Arizona State Retirement System

Select members from the Health Insurance Advisory Committee evaluated the retiree medical and dental proposals submitted to the ASRS during the summer. Their recommendations formed the basis for the ASRS Board of Trustees approval of Assurant's and PacifiCare's 2007 renewals.

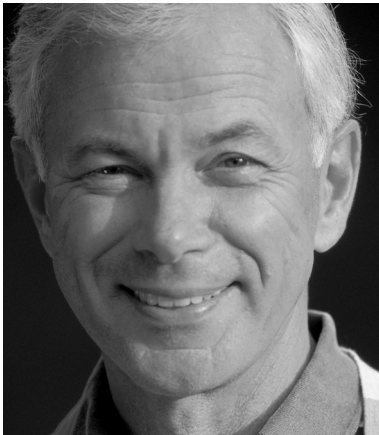
Health Insurance Open Enrollment Meetings

October 2 - November 3, 2006

No Reservations Required

Presentations have been scheduled throughout Arizona from October 2 to November 3, 2006, with the Arizona State Retirement System (ASRS) Member Services Division and representatives of PacifiCare, Assurant, ScriptSave and the SilverSneakers Fitness Program to discuss their health insurance and benefits programs.

These meetings are an opportunity for members to hear the insurance representatives make formal presentations about their plans.



Open Enrollment Meetings

Open Enrollment Meetings

No appointment is necessary. Just come to the meeting day and time that best suits your schedule. Early arrival is always recommended and attending an earlier meeting is encouraged if it is convenient for you to do so.

The meetings will begin at the time designated on the schedule that follows and are approximately two hours in length.

Question and answer sessions will follow each meeting. You are encouraged to ask questions regarding plan differences and applicability so that informed decisions are made concerning your participation in a selected medical and/or dental plan.

Specific, personal medical and/or dental issues should be addressed to PacifiCare or Assurant Customer Service Centers. Their phone numbers are on the inside back cover of this brochure.

If you are a PSPRS, CORP or EORP retiree, do not hand in your enrollment form at these meetings. Please mail it to the PSPRS office.

Meetings Schedule

Phoenix	ASRS Boardroom, 3300 N Central Ave, 10TH Floor	2 Oct.	10 AM & 2 PM
Phoenix	ASRS Boardroom, 3300 N Central Ave, 10TH Floor	4 Oct.	10 AM & 2 PM
Phoenix	ASRS Boardroom, 3300 N Central Ave, 10TH Floor	12 Oct.	10 AM & 2 PM
Phoenix	ASRS Boardroom, 3300 N Central Ave, 10TH Floor	13 Oct.	10 AM & 2 PM
Phoenix	ASRS Boardroom, 3300 N Central Ave, 10TH Floor	16 Oct.	10 AM & 2 PM
Phoenix	ASRS Boardroom, 3300 N Central Ave, 10TH Floor	18 Oct.	10 AM & 2 PM
Phoenix	ASRS Boardroom, 3300 N Central Ave, 10TH Floor	23 Oct.	10 AM & 2 PM
Phoenix	ASRS Boardroom, 3300 N Central Ave, 10TH Floor	24 Oct.	10 AM
Phoenix	ASRS Boardroom, 3300 N Central Ave, 10TH Floor	27 Oct.	10 AM & 2 PM
Phoenix	ASRS Boardroom, 3300 N Central Ave, 10TH Floor	30 Oct.	10 AM & 2 PM
Phoenix	ASRS Boardroom, 3300 N Central Ave, 10TH Floor	3 Nov.	10 AM & 2 PM
Tucson	ASRS Boardroom, 7660 E Broadway Blvd. Suite 101	2 Oct.	10 AM
Tucson	ASRS Boardroom, 7660 E Broadway Blvd. Suite 101	6 Oct.	2 PM
Tucson	ASRS Boardroom, 7660 E Broadway Blvd. Suite 101	11 Oct.	10 AM & 2 PM
Tucson	ASRS Boardroom, 7660 E Broadway Blvd. Suite 101	12 Oct.	10 AM & 2 PM
Tucson	ASRS Boardroom, 7660 E Broadway Blvd. Suite 101	16 Oct.	10 AM
Tucson	ASRS Boardroom, 7660 E Broadway Blvd. Suite 101	17 Oct.	2 PM
Tucson	ASRS Boardroom, 7660 E Broadway Blvd. Suite 101	23 Oct.	10 AM & 2 PM
Tucson	ASRS Boardroom, 7660 E Broadway Blvd. Suite 101	25 Oct.	10 AM & 2 PM
Tucson	ASRS Boardroom, 7660 E Broadway Blvd. Suite 101	31 Oct.	10 AM & 2 PM
Bullhead City	Council Chambers 1255 Marina Blvd	4 Oct.	10 AM & 2 PM
Coolidge	Central AZ College, Bldg M Room 101, 8470 N Overfield Rd Exit 190 on I-10	19 Oct.	10 AM & 2 PM
Flagstaff	City of Flagstaff, Council Chambers, 211 West Aspen Ave.	17 Oct.	9 AM & 1 PM
Flagstaff	City of Flagstaff, Council Chambers, 211 West Aspen Ave.	18 Oct.	9 AM, 12:30 & 3 PM
Globe	City of Council Chambers 150 N Pine St	11 Oct.	3 PM
Kingman	Kingman School District Board Room, 3033 McDonald Ave	5 Oct.	10 AM
Lake Havasu	Lake Havasu Unified District Board Room 2200 Havasupai Blvd	3 Oct.	2 PM
Mesa	Mesa Public Schools Board Room, 549 N Stapley Dr*	2 Oct. 3 Oct.	9 AM, 12:30 & 3 PM 9 AM, 12:30 & 3 PM
Payson	Town of Payson Council Chambers, 303 N Beeline Highway	10 Oct.	3 PM
Peoria	City of Peoria Council Chambers, 8401 W Monroe St	13 Oct.	10 AM & 2 PM
Peoria	City of Peoria Council Chambers, 8401 W Monroe St	18 Oct.	10 AM & 2 PM
Prescott	Yavapai Cnty Admin - Mackin Bldg 840 Rodeo Dr (behind Admin Bldg)	12 Oct.	2 PM
Prescott	Yavapai Cnty Admin - Mackin Bldg 840 Rodeo Dr (behind Admin Bldg)	13 Oct.	9 AM, 12:30 & 3 PM
Safford	Graham County General Services Building, 921 Thatcher Blvd., Assembly Room	4 Oct.	10 AM & 2 PM
Show Low	VFW Hall, 381 N Central	11 Oct.	9:30 AM
Sierra Vista	Sierra Vista Police Dept., 911 N Coronado Dr., Training Room	3 Oct.	10 AM & 2 PM
Sierra Vista	Sierra Vista Police Dept., 911 N Coronado Dr., Training Room	5 Oct.	10 AM & 2 PM
Tempe	Tempe Elementary School District, Sanchez Administration Building Board Room, 3205 S Rural Rd.**	20 Oct. 26 Oct.	10 AM & 2 PM 10 AM & 2 PM
Wickenburg	Wickenburg Town Hall Council Chambers, 155 N Tegner	6 Oct.	2 PM
Yuma	City of Yuma Training Room, 1 City Plaza	30 Oct.	2 PM
Yuma	City of Yuma Training Room, 1 City Plaza	31 Oct.	9 AM

*Please Park in the Conference Parking Lot

**Please Park in the Fry's Grocery Store Parking Lot



Cost for Coverage

Medical Premiums

(January 1, through December 31, 2007)

Use this chart to determine how your medical plan election will affect your pension check.

MONTHLY PREMIUMS – MEDICAL PLANS PROVIDED BY PACIFICARE OF ARIZONA

	WITHOUT MEDICARE		WITH MEDICARE A & B		COMBINATIONS	
<i>PacifiCare</i> [®] A UnitedHealthcare Company	Retiree Only	Retiree & Dependents	Retiree Only	Retiree & Dependents	Retiree & Dependent(s) One with Medicare, the other(s) without	Retiree & Dependent with Medicare, other dependent(s) without

Maricopa, Pima and Pinal Counties

HMO	<input type="checkbox"/> \$454.00	<input type="checkbox"/> \$908.00			Please see next page for combination premiums.	
PPO - \$1,000 Deductible	<input type="checkbox"/> \$765.00	<input type="checkbox"/> \$1530.00				
PPO - \$1,500 Deductible	<input type="checkbox"/> \$680.00	<input type="checkbox"/> \$1360.00				
Senior Supplement			<input type="checkbox"/> \$342.00	<input type="checkbox"/> \$684.00 ⁽²⁾		
Medicare Advantage			<input type="checkbox"/> \$145.00	<input type="checkbox"/> \$290.00 ⁽²⁾		

La Paz, Yuma, Santa Cruz, Cochise, Graham, Greenlee, Coconino and Yavapai Counties

HMO—Limited Service Areas ⁽¹⁾	<input type="checkbox"/> \$454.00	<input type="checkbox"/> \$908.00			Please see next page for combination premiums.	
PPO - \$1,000 Deductible	<input type="checkbox"/> \$609.00	<input type="checkbox"/> \$1218.00				
PPO - \$1,500 Deductible	<input type="checkbox"/> \$495.00	<input type="checkbox"/> \$990.00				
Senior Supplement			<input type="checkbox"/> \$342.00	<input type="checkbox"/> \$684.00 ⁽²⁾		
Medicare Advantage			<input type="checkbox"/> \$210.00	<input type="checkbox"/> \$420.00 ⁽²⁾		

Mohave, Gila, Navajo and Apache Counties

HMO—Limited Service Areas ⁽¹⁾	<input type="checkbox"/> \$454.00	<input type="checkbox"/> \$908.00			Please see next page for combination premiums.	
PPO - \$1,000 Deductible	<input type="checkbox"/> \$609.00	<input type="checkbox"/> \$1218.00				
PPO - \$1,500 Deductible	<input type="checkbox"/> \$495.00	<input type="checkbox"/> \$990.00				
Senior Supplement			<input type="checkbox"/> \$342.00	<input type="checkbox"/> \$684.00 ⁽²⁾		

Out-of-State

Indemnity	<input type="checkbox"/> \$871.00	<input type="checkbox"/> \$1742.00			Please see next page for combination premiums.	
Senior Supplement			<input type="checkbox"/> \$342.00	<input type="checkbox"/> \$684.00 ⁽²⁾		

Notes applicable to Cost of Coverage on page 15 - 16.

- (1) Available to rural Arizona residents but with restrictions. HMO service areas are Maricopa, Pima and Pinal counties. See question 8 on page 63 for further explanation.
- (2) Retiree and dependents monthly premium is a multiple of the number of lives covered and the Retiree Only premium. For example, the monthly premium for 3 eligible Medicare Advantage Plan participants who have Medicare Parts A and B is \$435.00 (3 X \$145.00). Likewise, the monthly premium for 3 eligible Senior Supplement plan participants who have Medicare Parts A and B is \$1,026.00 (3 X \$342.00).



Cost for Coverage Continued

Medical Premiums

(January 1, through December 31, 2007)

Use this chart to determine how your medical plan election will affect your pension check.

MONTHLY PREMIUMS – MEDICAL PLANS PROVIDED BY PACIFICARE OF ARIZONA

	COMBINATIONS	
<i>PacifiCare</i> [®] <small>A UnitedHealthcare Company</small>	Retiree & Dependent(s) One with Medicare, the other(s) without	Retiree & Dependent with Medicare, other dependent(s) without

Maricopa, Pima and Pinal Counties

Senior Supplement w/HMO ⁽¹⁾	<input type="checkbox"/> \$796.00	<input type="checkbox"/> \$1138.00
Senior Supplement w/PPO \$1,000 Deductible	<input type="checkbox"/> \$1107.00	<input type="checkbox"/> \$1449.00
Senior Supplement w/PPO \$1,500 Deductible	<input type="checkbox"/> \$1022.00	<input type="checkbox"/> \$1364.00
Medicare Advantage w/HMO ⁽¹⁾	<input type="checkbox"/> \$599.00	<input type="checkbox"/> \$744.00
Medicare Advantage w/PPO \$1,000 Deductible	<input type="checkbox"/> \$910.00	<input type="checkbox"/> \$1055.00
Medicare Advantage w/PPO \$1,500 Deductible	<input type="checkbox"/> \$825.00	<input type="checkbox"/> \$970.00

La Paz, Yuma, Santa Cruz, Cochise, Graham, Greenlee, Coconino and Yavapai Counties

Senior Supplement w/HMO ⁽¹⁾	<input type="checkbox"/> \$796.00	<input type="checkbox"/> \$1138.00
Senior Supplement w/PPO \$1,000 Deductible	<input type="checkbox"/> \$951.00	<input type="checkbox"/> \$1293.00
Senior Supplement w/PPO \$1,500 Deductible	<input type="checkbox"/> \$837.00	<input type="checkbox"/> \$1179.00
Medicare Advantage w/HMO ⁽¹⁾	<input type="checkbox"/> \$664.00	<input type="checkbox"/> \$874.00
Medicare Advantage w/PPO \$1,000 Deductible	<input type="checkbox"/> \$819.00	<input type="checkbox"/> \$1029.00
Medicare Advantage w/PPO \$1,500 Deductible	<input type="checkbox"/> \$705.00	<input type="checkbox"/> \$915.00

Mohave, Gila, Navajo and Apache Counties

Senior Supplement w/HMO ⁽¹⁾	<input type="checkbox"/> \$796.00	<input type="checkbox"/> \$1138.00
Senior Supplement w/PPO \$1,000 Deductible	<input type="checkbox"/> \$951.00	<input type="checkbox"/> \$1293.00
Senior Supplement w/PPO \$1,500 Deductible	<input type="checkbox"/> \$837.00	<input type="checkbox"/> \$1179.00

Out-of-State

Senior Supplement w/Indemnity	<input type="checkbox"/> \$1213.00	<input type="checkbox"/> \$1555.00
-------------------------------	------------------------------------	------------------------------------




Cost for Coverage

Dental Premiums

(January 1, through December 31, 2007)

Use this chart to determine how your dental plan election will affect your pension check.

MONTHLY PREMIUMS – DENTAL PLANS PROVIDED BY ASSURANT EMPLOYEE BENEFITS

 ASSURANT	DENTAL INSURANCE PLANS	Retiree Only	Retiree & 1 Dependent	Retiree & 2 or more Dependents
	Freedom Advance (High Option)	<input type="checkbox"/> \$36.61	<input type="checkbox"/> \$73.06	<input type="checkbox"/> \$103.39
	Freedom Basic (Low Option)	<input type="checkbox"/> \$17.18	<input type="checkbox"/> \$36.34	<input type="checkbox"/> \$66.54
	Prepaid (Arizona)	<input type="checkbox"/> \$10.61	<input type="checkbox"/> \$17.41	<input type="checkbox"/> \$26.90
	Prepaid (Other States Where Available)	<input type="checkbox"/> \$10.45	<input type="checkbox"/> \$17.64	<input type="checkbox"/> \$27.87

Calculating Your Monthly Health Insurance Cost

The worksheet is a blue document with white text and lines for calculations. It includes the following sections:

- Top Section:** "Your monthly medical plan premium from page 9" followed by a blank line labeled **A**.
- Second Section:** "Your monthly dental plan premium from page 10" followed by a blank line labeled **B**.
- Third Section:** "Total Premium" followed by a blank line labeled **C**.
- Fourth Section:** "(A plus B)" followed by a blank line labeled **D**.
- Fifth Section:** "Your Basic Premium Benefit (See chart on page 12)" followed by a blank line labeled **E**.
- Sixth Section:** "Your Net Premium (C minus D)" followed by a blank line labeled **F**.
- Seventh Section:** "If you live in rural Arizona, are Medicare eligible, and are not eligible to enroll in an HMO, please continue with the calculation." followed by a blank line labeled **G**.
- Eighth Section:** "Required Minimum HB2621 Payment (See Required Payment chart on page 13)" followed by a blank line labeled **H**.
- Ninth Section:** "Net Premium before Rural Subsidy (E minus F)" followed by a blank line labeled **I**.
- Tenth Section:** "Rural Health Insurance Subsidy (See Subsidy chart on page 14)" followed by a blank line labeled **J**.
- Eleventh Section:** "Your remaining out-of-pocket cost (If H is greater than G, I will equal \$0.00) (G minus H)" followed by a blank line labeled **K**.
- Bottom Section:** "For some retirees, the total amount of premium owed will be box E, or a combination of boxes F and I, and for others, only box F."

See page 19

Worksheet

Worksheet

Each retiree's circumstances are different. The ASRS offers retiree health insurance plans as does the Arizona Department of Administration and more than 200 participating employers allow retirees to remain on their active employee coverage. Premium benefits for the basic and rural programs also vary depending on a retiree's years of service. They also vary among the four state retirement systems and plans. Premiums also differ depending on the plan in which the retiree is enrolled and whether single or family coverage is elected.

Use the worksheet on the next page to determine the applicable amounts of insurance premium that either will be deducted from your monthly pension check or will be required to be paid directly to the insurance carrier(s) or to your employer.

Your ASRS retirement benefit check stub displays the basic premium benefit (PREM BEN), the rural subsidy (NON SRVPB) if applicable, and the full amount of your health insurance premium (HI PREM). However, only your **net health insurance cost** is being deducted from your pension check. Please see page 55 for a further explanation.

Net Monthly Health Insurance Cost Worksheet

Your monthly medical plan premium from page 15 or 16 **A**

Your monthly dental plan premium from page 17 **B**

Total Premium (A plus B) **C**

Your Basic Premium Benefit (See chart on page 20) **D**

Your Net Premium (C minus D) **E**

If you live in rural Arizona, are Medicare eligible, and are not eligible to enroll in an HMO, please continue with the calculation.

Required Minimum HB2621 Payment (See Required Payment chart on page 21) **F**

Net Premium before Rural Subsidy (E minus F) **G**

Rural Health Insurance Subsidy (See Subsidy chart on page 22) **H**

Your remaining out-of-pocket cost (If H is greater than G, I will equal \$0.00) (G minus H) **I**

For some retirees, the total amount of premium owed will be box E, or a combination of boxes F and I, and for others, only box F

Retiree Health Insurance Premium Benefit Program

Basic Premium Benefit Amounts

The monthly premiums shown in the charts on pages 15-17 are the full cost for the medical and dental coverages. The Arizona State Retirement System, Public Safety Personnel Retirement System, Elected Officials' Retirement Plan, and Corrections Officer Retirement Plan will provide payment toward insurance premiums for eligible members and their dependents. The chart below reflects the maximum monthly basic premium benefit available for eligible members and their dependents.

No basic premium benefit is provided to retirees in the University Optional Retirement Plans.

To determine your basic premium benefit, you need to know your years of credited service in your retirement system or plan; your coverage type, i.e., single or family coverage; and, whether you and covered family members are eligible for Medicare.

	WITHOUT MEDICARE		WITH MEDICARE A & B		COMBINATIONS	
Years of Service	Retiree Only	Retiree & Dependents	Retiree Only	Retiree & Dependents	Retiree & Dependents One with Medicare, the other(s) without	Retiree & Dependent with Medicare, other dependents without
Arizona State Retirement System (ASRS) Members						
5.0–5.9	\$75.00	\$130.00	\$50.00	\$85.00	\$107.50	\$107.50
6.0–6.9	\$90.00	\$156.00	\$60.00	\$102.00	\$129.00	\$129.00
7.0–7.9	\$105.00	\$182.00	\$70.00	\$119.00	\$150.50	\$150.50
8.0–8.9	\$120.00	\$208.00	\$80.00	\$136.00	\$172.00	\$172.00
9.0–9.9	\$135.00	\$234.00	\$90.00	\$153.00	\$193.50	\$193.50
10.0+	\$150.00	\$260.00	\$100.00	\$170.00	\$215.00	\$215.00
Elected Officials' Retirement Plan (EORP) Members						
5.0–5.9	\$90.00	\$156.00	\$60.00	\$102.00	\$129.00	\$129.00
6.0–6.9	\$112.50	\$195.00	\$75.00	\$127.50	\$161.25	\$161.25
7.0–7.9	\$135.00	\$234.00	\$90.00	\$153.00	\$193.50	\$193.50
8.0+	\$150.00	\$260.00	\$100.00	\$170.00	\$215.00	\$215.00
Corrections Officer Retirement Plan (CORP) Members						
not applicable	\$150.00	\$260.00	\$100.00	\$170.00	\$215.00	\$215.00
Public Safety Personnel Retirement System (PSPRS) Members						
not applicable	\$150.00	\$260.00	\$100.00	\$170.00	\$215.00	\$215.00

Additional Temporary Premium Benefit Amounts (Rural Subsidy)

Qualified Medicare eligible retirees **who are participating in a medical plan** provided by the ASRS, ADOA, or a participating employer of a state retirement system or plan and who live in areas of Arizona where no managed care (HMO) program is offered (“non-service

areas”) are entitled to receive an additional temporary premium benefit. The Rural Subsidy amounts shown below are **effective from July 1, 2005 through June 30, 2007.**

HB2621 Required Payment – Eligible “rural” retirees are required to pay a portion of the cost of their medical insurance plan before the Rural Subsidy is applied to their remaining medical plan premium. Those amounts are:

	Required Payment
Medicare Eligible Retiree Only	\$100 per month
Medicare Eligible Retiree + Dependent(s)	\$200 per month
Medicare Eligible Retiree + Dependent(s) (Combination Plan)	\$400 per month
You are eligible for the Rural Subsidy if you:	
■ are Medicare eligible;	
■ live in Mohave, Gila, Navajo or Apache Counties;	
■ are not eligible to enroll in an HMO plan from a participating employer or the ASRS; or,	
■ are not a retiree of the University Optional Retirement Plans.	

Additional Temporary Premium Benefit Amounts (Rural Subsidy)

	WITH MEDICARE A & B		COMBINATIONS
Monthly Rural Subsidy Effective July 1, 2005 through June 30, 2007			Medicare Eligible Retiree with at least one Non-Medicare Dependent
Years of Service	Retiree Only	Retiree & Dependents	
Arizona State Retirement System (ASRS) Members			
5.0–5.9	\$85.00	\$175.00	\$235.00
6.0–6.9	\$102.00	\$210.00	\$282.00
7.0–7.9	\$119.00	\$245.00	\$329.00
8.0–8.9	\$136.00	\$280.00	\$376.00
9.0–9.9	\$153.00	\$315.00	\$423.00
10.0+	\$170.00	\$350.00	\$470.00
Elected Officials' Retirement Plan (EORP) Members			
5.0–5.9	\$102.00	\$210.00	\$282.00
6.0–6.9	\$127.50	\$262.50	\$352.50
7.0–7.9	\$153.00	\$315.00	\$423.00
8.0+	\$170.00	\$350.00	\$470.00
Corrections Officer Retirement Plan (COPR) Members			
not applicable	\$170.00	\$350.00	\$470.00
Public Safety Personnel Retirement System (PSPRS) Members			
not applicable	\$170.00	\$350.00	\$470.00

ASRS Retiree Medical Plans

PacifiCare®

A UnitedHealthcare Company

For 2007, PacifiCare will again be the sole provider offering medical benefits to retirees and LTD recipients and their eligible dependents covered through the Arizona State Retirement System.

Depending upon where you live and whether you are eligible for Medicare, PacifiCare has the following plans from which to choose: a Health Maintenance Organization (HMO), a Medicare Advantage Plan, a Preferred Provider Organization (PPO), an Indemnity Medical Plan and a Senior Supplement Plan. Where they are available, PacifiCare offers these types of medical plans:

Health Maintenance Organization (HMO)

Health Maintenance Organization (HMO) requires that all your care is provided through HMO contracted providers, except emergencies. Each family member selects his or her Primary Care Physician (PCP) who may be a Family Practice, General Practice or Internal Medicine Physician. Your PCP will take care of most of your medical needs. Should you require a specialist, tests or hospitalization, your PCP will make the arrangements. **A physician name and network name are required on the enrollment form if you select the HMO plan.**

Medicare Advantage Plan

Medicare Advantage Plan (Secure Horizons) is a plan for members who are enrolled in Medicare Parts A & B and in which PacifiCare has entered into a contract with the Centers for Medicare and Medicaid Services (CMS), the federal agency that administers Medicare, and is regulated by the Arizona Department of Insurance. This contract authorizes PacifiCare to provide comprehensive health services to persons who are entitled to original (traditional) Medicare benefits and who choose to enroll in the Medicare Advantage Plan (Secure Horizons). By enrolling in the Medicare Advantage Plan (Secure Horizons), you have made a decision to receive all your routine health care from PacifiCare contracted providers. If you receive services from a non-contracted provider without prior authorization, except for emergency

services, out-of-area urgently needed services and renal dialysis, neither PacifiCare nor Medicare will pay for those services. **Physician and network names are required on the enrollment form if you select the Medicare Advantage Plan.**

Preferred Provider Organization (PPO)

Preferred Provider Organization (PPO) has a network of participating hospitals, doctors, specialists and other medical providers who have agreed to discounted fees. However, with the PPO plan, you are free to use any eligible licensed provider for your care. Utilizing a participating provider limits your out-of-pocket expense. Non-participating providers are paid at usual, customary and reasonable (UCR) cost after the plan deductible. Non-participating providers may bill you for amounts over UCR.

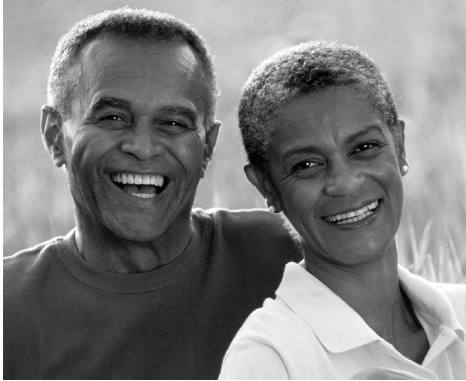
Indemnity Medical Plan

Indemnity Medical Plan allows you freedom of choice to see any licensed provider and is paid at UCR after the plan deductible. The providers may bill you for amounts over UCR.

Senior Supplement Plan

Senior Supplement Plan is for members who are enrolled in both Medicare Parts A & B. With this Plan you have the freedom to obtain medical care from any physician and hospital that accepts Medicare.

What Medical Plan am I eligible for?



Medical Plan

Medical Plan

Medicare eligible retirees:

Retirees and/or dependents residing in:

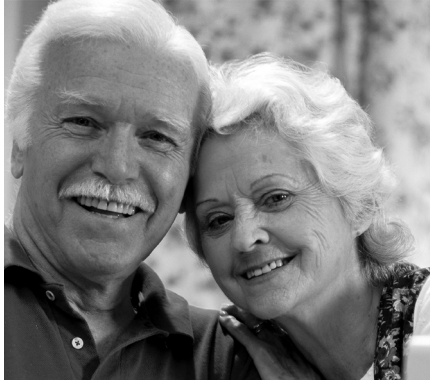
- **Maricopa, Pima, Pinal, La Paz, Yuma, Cochise, Santa Cruz, Graham, Greenlee Coconino and Yavapai counties** with Medicare Parts A & B may select either the Medicare Advantage Plan or the Senior Supplement Plan.
- **Mohave, Gila, Navajo and Apache counties and states nationwide** with Medicare Parts A & B will have coverage through the Senior Supplement Plan.

Non-Medicare eligible retirees:

Retirees and/or dependents residing in:

- **Maricopa, Pima and Pinal counties** who are not Medicare eligible can select either the HMO or PPO plans.
- **All other counties within Arizona** who are not Medicare eligible will have coverage under the PPO plan and, with restrictions, under the HMO plan (see Question 8 on page 51).
- **Outside the State of Arizona** who are not Medicare eligible will have coverage through the Indemnity Medical Plan.

Becoming Medicare Eligible



Medicare Eligible

Medicare Eligible

If you or your dependent will become Medicare eligible on your or their next birthday, there may be changes in your medical coverage, premiums or premium benefit that you need to know about. The address of your primary residence will dictate the Medicare plan for which you are eligible.

If you elect to enroll in the Medicare Advantage Plan, you will need to complete a new enrollment form and the Statement of Understanding (SOU). Please remember that your enrollment form and SOU can **NOT** be dated and signed more than 90 days prior to your effective date of coverage.

Please send the enrollment form, the SOU, and a copy of your Medicare card(s) showing Parts A & B or a copy of your Medicare Award letter to ASRS or PSPRS, if applicable, 30 days **prior** to the effective date of your Medicare coverage. **The effective date will be the first day of the month of your 65th birthday.**

Please remember that your coverage always becomes effective on the first day of the month **following the submission** of a properly completed health insurance enrollment application. Submitting your application and, if applicable, an SOU, prior to your effective date is always encouraged.

A new ID card(s) and Evidence of Coverage for your new medical plan will be sent by PacifiCare once your forms have been processed.



Comparison of Benefits

The medical plan comparison charts on the following pages contain a partial listing of the benefits offered to the Medicare eligible and Non-Medicare eligible retirees, LTD recipients and eligible dependents. Please remember that benefits are subject to plan limitations and exclusions.

Plan changes are reflected in **bold** type for ease of reference and comparison.

After you enroll for coverage, PacifiCare will send you an Identification (ID) Card and an Evidence of Coverage booklet for the HMO plans or a Certificate of Coverage for the PPO, Indemnity Medical and Senior Supplement plans. Please review these documents before you begin to use services so you understand the terms and conditions of the plan you selected.

A glossary begins on page 58 for definitions of many of the terms used in the charts.

Questions concerning your plan should be directed to the PacifiCare Customer Service number listed on the back of your ID card or on the inside back cover of this brochure.



2007 Medicare Eligible Retiree Medical Plans Comparison Chart

The information contained in this chart is a partial summary of the medical benefits offered by PacifiCare for Medicare eligible retirees, disabled members, and eligible dependents. It also serves as a comparison between plans.

Outpatient Benefits	Medicare Advantage (Secure Horizons)	Senior Supplement		
	Member Pays	Medicare Pays	Supplement Pays	Member Pays***
Doctor Office Visit	\$15 Copayment	80% of MAC* After \$124 Deductible	Deductible then 20% of MAC*	No Charge
Specialist Office Visit	\$30 Copayment	Not Covered	Not Covered	All Costs
Routine Physical	\$15 Copayment	80% of MAC* after Deductible	Deductible then 20% of MAC*	Subject to Medicare Guidelines
Examinations/ Immunizations	\$15 Copayment	50% of MAC* after Deductible	Deductible then 50% of MAC*	\$0
Outpatient Mental Health	\$15 Copayment	80% of MAC* after Deductible	Deductible then 20% of MAC*	\$0
Outpatient Surgical Services	\$100 Copayment	80% of MAC* after Deductible	Deductible then 20% of MAC*	\$0
X-Rays Outpatient-Standard Outpatient- Specialized Scans	No Charge \$50 Copayment	80% of MAC* after Deductible	Deductible then 20% of MAC*	\$0
Outpatient Lab Tests	No Charge	80% of MAC* after Deductible	Deductible then 20% of MAC*	\$0
Durable Medical Equipment	No Charge	80% of MAC* after Deductible	Deductible then 20% of MAC*	\$0
Skilled Nursing Facility	No Charge Limit of 100 days per Benefit Period	Days 1–20: 100% of MAC* Days 21–100: All but \$119 per day Days over 101: \$0	Days 1–20: \$0 Days 21–100: \$119 per day Days over 101: \$0	Days 1–20: \$0 Days 21–100: \$0 Days over 101: All Costs
Home Health Care	No Charge	100% of MAC*	\$0	\$0
Physical, Speech and Occupational Therapy	\$15 Copayment	80% of MAC*	Deductible then 20% of MAC*	\$0

* Medicare Approved Charges (MAC)

Important Note: This is only a brief summary of benefits. Please refer to the plan's Certificate of Coverage for a list of benefits and exclusions specific to the ASRS retiree medical plan. PacifiCare will send you a Certificate of Coverage with complete information on the benefits, limitations and exclusions once your enrollment form is processed.

2007 Medicare Eligible Retiree Medical Plans Comparison Chart

	Medicare Advantage (Secure Horizons)	Senior Supplement		
	Member Pays	Medicare Pays	Supplement Pays	Member Pays***
Inpatient Benefits				
Inpatient Hospital Expenses	\$100 per admission	Subject to Medicare Guidelines	Subject to Medicare Guidelines	\$0 unless lifetime maximum has been used
Inpatient Mental Health	\$100 per admission 190 days Lifetime Maximum	Subject to Medicare Guidelines	Subject to Medicare Guidelines	\$0 up to 190 days lifetime
Prescription Benefits				
Brand/Generic	\$40/\$20 Copay		All But Member Copay to \$2400 Annual Max	\$35/\$10 Copay****
Mail Order (90-day Supply)	\$80/\$40 Copay	\$0		\$70/\$20 Copay****
Other Benefits				
Emergency Room	\$50 Copayment (waived if admitted)	80% of MAC*	20% of MAC*	\$0
Urgent Care Facility	\$15 Copayment	80% of MAC*	20% of MAC*	\$0
Ambulance	\$25 Copayment	80% of MAC*	20% of MAC*	\$0
Other				
Deductible	None	\$0 per Person Outpatient Services	\$124 per Person Outpatient Services	\$100 calendar year deductible for inpatient & outpatient services
Maximum Lifetime Benefit	No Maximum	No Maximum	up to \$2,000,000	All costs over \$2,000,000
Vision Exam	\$20 Copayment	Not Covered	\$80 Allowance Per Calendar Year	\$20 Deductible Plus All Cost Above Allowance
Lenses and Frames	\$130 Allowance per Calendar Year	Not Covered	\$130 Allowance Per Calendar Year	All Cost Above Allowance
SilverSneakers Fitness Program	Free Membership at Participating Clubs**	\$0	Free Membership at Participating Clubs**	\$0

* Medicare Approved Charges (MAC)

**See pages 51 and 52 for more details.

***After calendar year deductible

****Member pays copay up to \$2,400.00 in Total Drug Expenditures. Member then pays 100% of prescription costs until \$3,850.00 in True Out-Of-Pocket maximum has been met. Member then pays \$2.25 generic, \$5.35 brand copay or 5%, whichever is greater.

2007 Non-Medicare Eligible Retiree

The information contained in this chart is a partial summary of the medical benefits offered by PacifiCare for

Outpatient Benefits	HMO	INDEMNITY
	Member Pays	Plan Pays
Doctor Office Visits	\$20 Copayment	
Specialist Office Visit	\$40 Copayment	80%*
Routine Physical	\$20 Copayment	80%*
Examinations/ Immunizations	\$20/ \$40 Copayment	80%*
Vision Examination	\$40 Copayment	Not Covered
Hearing Examination	\$40 Copayment	Not Covered
Outpatient Mental Health	\$40 Copayment	80%*
Outpatient Hospital Services	30%	80%*
X-Rays Outpatient- Standard	\$20 Copayment	80%*
Outpatient- Specialized Scans	\$150 Copayment	80%*
Outpatient Lab Tests	No Charge	80%*
Durable Medical Equipment	No Charge	80%*
Prosthetic Devices	50%	80%*
Skilled Nursing Facility	No Charge	80%*
Home Health Care	No Charge	80%*
Physical, Speech and Occupational Therapy	\$40 Copayment	80%*

* Subject to Calendar Year Deductible

Medical Plans Comparison Chart

Non-Medicare eligible retirees, disabled members and dependents. It also serves as a comparison between plans.

PPO - \$1,000 Deductible	
In-Network Plan Pays	Out-of-Network Plan Pays
100% after \$20 Copayment	60%*
100% after \$20 Copayment	60%*
100% after \$20 Copayment	60%*
Not Covered	Not Covered
Not Covered	Not Covered
80%*	60%*
80%*	60%*
80%*	60%*
80%*	60%*
80%*	60%*
80%*	60%*
80%*	60%*
80%*	60%*
80%*	60%*
80%*	60%*

PPO - \$1,500 Deductible	
In-Network Plan Pays	Out-of-Network Plan Pays
100% of Primary Care Office Visit services after \$25 copay; 100% of Specialty Care Office Visit services after \$50 copay.**	50%*
	50%*
	50%*
Not Covered	Not Covered
Not Covered	Not Covered
70%*	50%*
70%*	50%*
70%*	50%*
Specialized scans \$100 addtl Ded then 70% after Cal Yr Ded	Specialized scans \$200 addtl Ded then 50% after Cal Yr Ded
70%*	50%*
70%*	50%*
70%*	50%*
70%*	50%*
70%*	50%*
70%*	50%*
70%*	50%*

* Subject to Calendar Year Deductible

** Associated lab and x-ray provided at Participating freestanding facilities require a separate additional Primary Care Office Visit Copay per service provider.

2007 Non-Medicare Eligible Retiree

The information contained in this chart is a partial summary of the medical benefits offered by PacifiCare for

	HMO	INDEMNITY
Inpatient Benefits	Member Pays	Plan Pays
Inpatient Hospital Expenses	30%	\$500 Admission Deductible then 80%*
Inpatient Mental Health	30%	\$500 Admission Deductible then 80%*
Prescription Benefits	Formulary	Formulary
Brand/Generic	\$40/\$20 Copay	\$40/\$20 Copay
Mail Order (90 day supply)	\$80/\$40 Copay	\$80/\$40 Copay
Other Benefits	Member Pays	Plan Pays
Emergency Room	\$75 Copayment (waived if admitted)	\$75 deductible (waived if admitted)
Urgent Care Facility	\$40 Copayment	80%*
Ambulance	No Charge	80%*
Lenses and Frames	Allowances: \$50 Lenses and \$50 Frames or \$100 Contacts	Not Covered
Hearing Aids	\$200 Allowance per calendar year	Not Covered

* Subject to Calendar Year Deductible

Medical Plans Comparison Chart

Non-Medicare eligible retirees, disabled members and dependents. It also serves as a comparison between plans.

PPO - \$1,000 Deductible			
In-Network Plan Pays		Out-of-Network Plan Pays	
80%*		\$250 Admission Deductible then 60%*	
80%*		60%*	
Formulary		Formulary	
\$40/\$20 Copay		\$40/\$20 Copay	
\$80/\$40 Copay		\$80/\$40 Copay	
In-Network Plan Pays		Out-of-Network Plan Pays	
\$75 deductible (waived if admitted)		\$75 deductible (waived if admitted)	
80%*		60%*	
70%*		70%*	
Not Covered		Not Covered	
Not Covered		Not Covered	

PPO - \$1,500 Deductible			
In-Network Plan Pays		Out-of-Network Plan Pays	
70%*		\$600 Admission Deductible then 50%*	
70%*		50%*	
Formulary		Formulary	
\$40/\$20 Copay		\$40/\$20 Copay	
\$80/\$40 Copay		\$80/\$40 Copay	
In-Network Plan Pays		Out-of-Network Plan Pays	
\$75 deductible (waived if admitted)		\$75 deductible (waived if admitted)	
70%*		50%*	
60%*		60%*	
Not Covered		Not Covered	
Not Covered		Not Covered	

* Subject to Calendar Year Deductible

2007 Non-Medicare Eligible Retiree

The information contained in this chart is a partial summary of the medical benefits offered by PacifiCare for

Outpatient Benefits	HMO	INDEMNITY
	Member Pays	Plan Pays
Calendar Year Deductible	None	\$500 Individual \$1,000 Family
Inpatient Hospital Deductible	None	\$500 per admission
Outpatient Surgical Services Deductible	30%	\$250 per visit
Out of Pocket/ Coinsurance Maximum	\$3,000 Individual \$9,000 Family	\$2,000 per Individual \$4,000 per Family excluding the deductibles
Maximum Lifetime Benefit	No Maximum	\$2,000,000
SilverSneakers Fitness Program	Free Membership at Participating Clubs**	Not Covered

* Subject to Calendar Year Deductible

** See pages 51 and 52 for more details.

Important Note: This is only a brief summary of benefits. Please refer to the plan's Certificate of Coverage. PacifiCare will send you a Certificate of Coverage with complete information on the benefits, limitations

Medical Plans Comparison Chart

Non-Medicare eligible retirees, disabled members and dependents. It also serves as a comparison between plans.

PPO - \$1,000 Deductible	
In-Network Plan Pays	Out-of-Network Plan Pays
\$1,000 Individual \$2,000 Family	\$2,000 Individual \$4,000 Family
None	\$250 Out-of-Network Hospital per admission
None	\$250 Out-of-Network Hospital per visit
\$3,000 per Individual \$6,000 per Family excluding the deductible and copayments	\$6,000 per Individual \$12,000 per Family excluding the deductibles and prescription drug copayments
\$2,000,000	
Free Membership at Participating Clubs**	

PPO - \$1,500 Deductible	
In-Network Plan Pays	Out-of-Network Plan Pays
\$1,500 Individual \$4,500 Family	\$2,000 Individual \$6,000 Family
None	\$600 Out-of-Network Hospital per admission
None	\$250 Out-of-Network Hospital per visit
\$4,000 per Individual \$12,000 per Family excluding the deductible and copayments	\$8,000 per Individual \$24,000 per Family excluding the deductibles and prescription drug copayments
\$2,000,000	
Free Membership at Participating Clubs**	

or Evidence of Coverage for a list of benefits and exclusions specific to the ASRS retiree medical plan. and exclusions once your enrollment form is processed.

Statement of Understanding (SOU)

The SOU must be completed by all retirees and/or dependents who have Medicare Parts A & B and who are enrolling in the Medicare Advantage Plan. PacifiCare has entered into a contract with the Centers for Medicare and Medicaid Services (CMS), the federal agency responsible for the management of Medicare, to provide comprehensive health services to persons enrolled in the Medicare Advantage Plan.

By signing the SOU, the retiree and/or dependent indicates to PacifiCare (Secure Horizons) and CMS that they understand:

- Member(s) must maintain Parts A & B by continuing to pay the Part B premiums and the Part A premiums, if applicable. These premiums are deducted from your Social Security check and **not** from your ASRS pension check.
- All Medicare Advantage Plan medical services, with the exception of emergency or out-of-area urgently needed services, must be provided or arranged by PacifiCare/Secure Horizons contracted providers. Services rendered without pre-certification from PacifiCare (Secure Horizons), with the exception of emergency or out-of-area urgently needed services, will not be reimbursed by PacifiCare or Medicare.

- Member(s) is bound by the benefits, co-payments, exclusions, limitations and other terms of the PacifiCare (Secure Horizons) Evidence of Coverage.
- Member(s) can only be enrolled in one Medicare Advantage Plan at any one time.
- Effective date of coverage selection will be the first of the month following the date that PacifiCare receives the completed enrollment form and SOU, unless the requested effective date is at a later date.

If you are enrolling for the first time, your completed SOU must be submitted along with your enrollment form to the ASRS or PSPRS, if applicable.

Secure Horizons Disenrollment Form

The Disenrollment Form must be completed and signed by all Medicare eligible retirees and/or dependents who are currently enrolled in the Medicare Advantage Plan or the Secure Horizons Direct Plan and who are dropping that

coverage. This form requests that your health care coverage revert back to the traditional Medicare fee-for-service program. The effective date will be the first of the month following receipt of the Disenrollment Form, unless a future date is requested.

Understanding Your Prescription Drug Benefit



Prescription Drugs

Prescription Drugs

What is a Formulary and why is it important?

PacifiCare keeps your medication costs down through a Formulary. The Formulary is a list of PacifiCare-approved outpatient prescription drugs that are covered under the PPO, Indemnity Medical, HMO and Medicare Advantage plans. A pharmacy and therapeutics committee that consists of practicing physicians and pharmacists determines and maintains the Formulary. The committee decides which prescription drugs provide quality treatment for the best value. It includes a broad range of generic and brand name drugs, although it does not include all prescription drugs.

What medical plans utilize the Formulary?

The PPO, Indemnity Medical, HMO and Medicare Advantage plans utilize the Formulary. For you to receive prescription drug benefits, your physician must prescribe medication for you from the Formulary and the prescription must be filled at a participating pharmacy.

Understanding Your Prescription Drug Benefit Continued

Do I have a Formulary benefit on the Senior Supplement Plan?

No, the Senior Supplement Plan does not utilize the Formulary. As a member on the Senior Supplement Plan, you pay your appropriate copayment to the participating pharmacy. However, the Plan does have an annual prescription drug benefit limit of \$2,400 per person before the Medicare Part D catastrophic prescription drug benefits apply.

What is covered?

All medications listed in the Formulary are covered. In order to receive your prescription benefits, your physician must prescribe medication for you from the Formulary and the prescription must be filled at a participating pharmacy.

What if my prescription is not listed in the Formulary?

Your physician can contact Prescription Solutions, PacifiCare's prescription manager, for an exception explaining why you must have that drug rather than the one on the Formulary or your physician must change your prescription to an equivalent Formulary drug.

What is the difference between brand name and generic drugs?

A generic drug is a medication which has met the standards set by the Food and Drug Administration (FDA) to assure its equivalence to the original patented brand name medication. Generic drugs are chemically identical to their brand name equivalents. Many brand name drugs do not have generic equivalents. In these cases, your physician may prescribe a

“therapeutic” instead. Unlike generic drugs which have the identical active ingredients as a brand name version, a therapeutic substitute has a chemical composition close to its brand name counterpart and has been determined to provide the same clinical or therapeutic results.

How can I obtain a copy of the Formulary?

The Formulary is available upon request from PacifiCare or can be found on their website at www.pacificare.com. The Medicare Advantage Plan formulary is called Platinum Plus Managed.

How can I save money by using the Prescription Mail Order Program?

Prescription Solutions, PacifiCare's prescription manager, offers a mail order program for maintenance medications. Through the mail order program, you can order a three (3) month supply of medications and save money on your prescription copayment. Prescriptions are mailed to your home in discreetly labeled packages. Refills can be ordered by mail, over the phone or through the Internet. Mail Order Claim forms may be ordered through PacifiCare's Customer Service or on their website at www.pacificare.com.

PacifiCare's Vision Care Benefits

Secure Horizons Medicare Advantage HMO Plan:

Prescription Eyewear:

Your medical plan covers one eye exam per year and medically necessary glasses or lenses following cataract surgery. Your Routine Prescription Eyewear benefit provides a routine exam, eyeglasses or contact lenses for routine vision correction.

If you need the services of an eye specialist, you should call Secure Horizons Customer Services at 1-800-347-8600 for the nearest Participating Provider. For a routine eye exam you may go to a Spectera Vision Provider. In both instances, the vision eyewear is only available through the Spectera Vision Network. Locate a vision provider near you by either going to www.spectera.com or calling Spectera Vision Customer Service at 1-800-638-3120, (or for the hearing impaired 1-800-524-3157). Enjoy receiving care at Vision centers that are convenient and have extended hours such as Wal-Mart and Costco. The vision network is provided by Spectera Vision. **Please note that the network has changed for 2007. Confirm your vision provider is participating in the new network before making an appointment.**

At a Spectera Network vision center, you can receive routine eye exams (also called refractive eye exams) for a \$20 co-payment, eyeglass lenses (single, bifocal and trifocal) are covered in full, and you have a \$130 retail allowance toward frames. In lieu of eyeglasses, there is \$105 allowance toward contacts. Exams, lenses and frames are covered once every 12 months. You will be responsible for any charges in excess of the \$130 frame allowance or the \$105 contact lens allowance.

This vision care plan is designed to cover your vision needs rather than cosmetic materials. However, most lens options are available at a discount.

If you have questions about this plan you can call Spectera Vision Customer Service at 1-800-638-3120, (or for the hearing impaired 1-800-524-3157), Monday through Friday, 8 a.m. to 11:00 p.m. EDT and Saturday, 9:00 a.m. to 5:30 p.m. EDT.

PacifiCare's Vision Care Benefits Continued

PacifiCare Senior Supplement Plan:

Routine Prescription Eyewear:

Your Routine Prescription Eyewear benefit provides eye refraction, eyeglasses or contact lenses for routine vision correction.

You have the choice of any vision provider, but you receive the greatest savings by using a Spectera network provider. To locate a vision provider near you, go to www.spectera.com or call Spectera Vision Customer Service at 1-800-638-3120, (or for the hearing impaired 1-800-524-3157). You may then schedule an appointment for your vision exam. Enjoy the greatest savings at vision centers that are convenient and have extended hours, such as Wal-Mart and Costco. The Vision Network is provided by Spectera Vision. **Please note that the Vision Network has changed for 2007. Please confirm your provider is participating in the new network before making an appointment.**

At a Spectera Network provider, after a \$20 deductible, you have coverage for routine eye exams (also called refractive eye exams). Standard eyeglass lenses (single, bifocal and trifocal) are covered in full, and you have a

\$130 retail allowance toward frames. In place of eyeglasses, there is \$105 allowance toward contacts. Exams, lenses and frames are covered once every 12 months. If you chose not to use a Spectera Network vision provider, there is an \$80 allowance toward the routine examination after satisfying a \$20 deductible. Your eyewear benefits is \$100 toward the purchase of eyeglasses, or contact lenses in place of eyeglasses. You will be responsible for charges in excess of the \$100 allowance. You are eligible to receive this benefit once every 12 months.

This vision care plan is designed to cover your vision needs rather than cosmetic materials.

If you have questions about this plan you can call Spectera Vision Customer Service at 1-800-638-3120, (or for the hearing impaired 1-800-524-3157), Monday through Friday, 8 a.m. to 11:00 p.m. EDT and Saturday, 9:00 a.m. to 5:30 p.m. EDT.

PacifiCare's Vision Care Benefits Continued

PacifiCare Senior Supplement Plan:

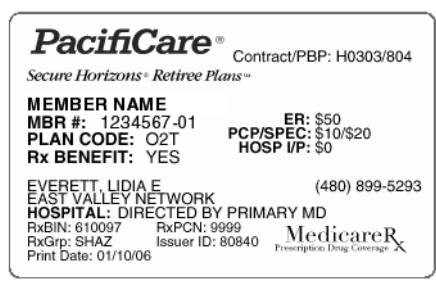
Benefit limited to 1 time every 12 months	In-Network You Pay	Out-of Network You Pay
Deductible	\$20	\$20
Routine Eye Refraction (examination)	\$0 after deductible satisfied	Charges in excess of \$80
Eyeglass Lenses (single, bifocal and trifocal)	\$0 covered in full	Charges in excess of \$100 for Lenses, Frames, or contacts combined
Eyeglass Frames	Charges in excess of \$130 retail allowance	
Contact Lenses (in place of eyeglasses)	Charges in excess of \$105 allowance	

ASRS Retiree Medical Plans

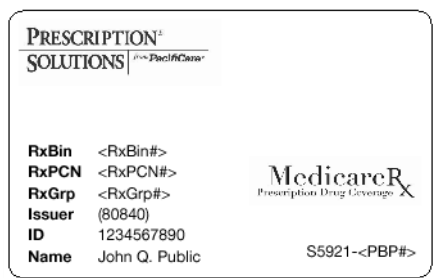
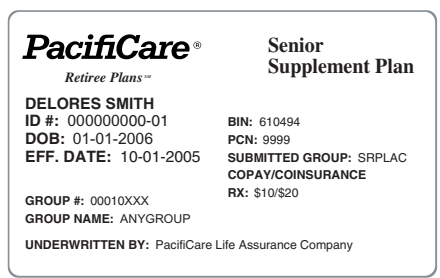
Sample ID Cards

The sample ID cards below show you which card belongs to which PacifiCare-sponsored ASRS retiree medical, prescription and vision plan. These sample ID cards will help you identify the medical plan you have as well as the number and kinds of different cards you should have.

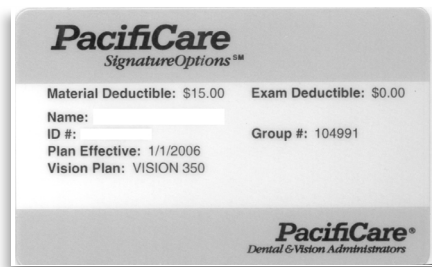
For retirees enrolled in Secure Horizons **Medicare Advantage Plan**, your ID card is for medical, vision and prescription drug plan ID card. It looks like this:



For retirees enrolled in **Senior Supplement**, you have separate ID cards for your medical plan and for your prescription drug plan (from Prescription Solutions). They look like these:

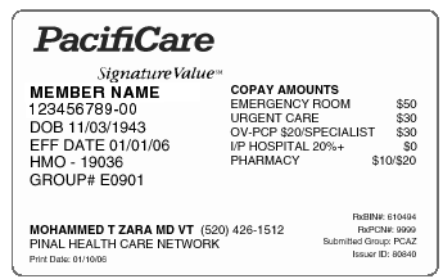


For retirees enrolled in the Senior Supplement Plan, your PacifiCare-sponsored vision plan ID card looks like this:

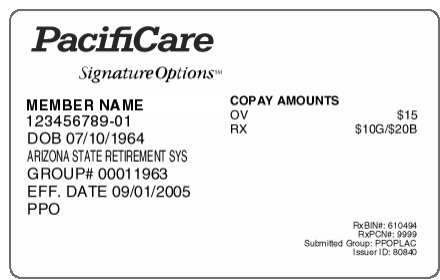


For retirees enrolled in PacifiCare's HMO, PPO, or Indemnity medical plans, your ID card is both a medical and a prescription drug plan ID card. They look like these:

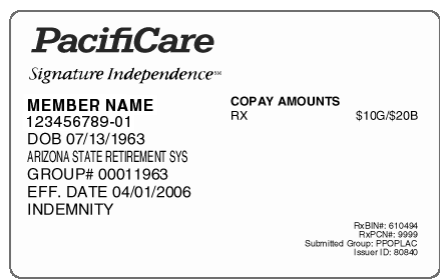
For PacifiCare's HMO medical plan, you have a PacifiCare "Signature Value" ID card.



For PacifiCare's PPO medical plan, you have a PacifiCare "Signature Options" ID card.



For PacifiCare's Indemnity medical plan, you have a PacifiCare "Signature Independence" ID card.



ASRS Retiree Dental Plans



ASSURANT

For 2007, Assurant Employee Benefits will again be the sole provider offering dental benefits to retirees, LTD recipients and eligible dependents covered through the Arizona State Retirement System. Assurant offers three different dental plans that allow you to choose between the Freedom Advance or Freedom Basic indemnity dental plan, and a prepaid dental plan. These plans provide you with the freedom to choose a dental plan that best fits your individual needs. Compare the cost and benefits of each dental plan to determine which plan will meet the dental health needs of you and your family.

There are significant differences between the indemnity and prepaid plans. Below you will find a brief synopsis of the differences between the two indemnity plans and the prepaid plan.

Indemnity Dental Plans

These plans pay the indicated percentages of Allowable Charges for covered services. Benefits are paid after any applicable deductible has been met, up to the Annual Maximum which is \$2,500 for the Freedom Advance and \$1,000 for the Freedom Basic Indemnity Dental Plans. You are responsible for any applicable coinsurance percentages not covered by the plans. Allowable charges are based on charges being made by providers in the area where dental services are performed. The Indemnity Plans feature:

- Two Plan Choices
 - Freedom Advance
 - Freedom Basic
- Freedom of Choice of Dentists or use Dental Health Alliance (DHA) contracted providers for no balance billing
- Nationwide Coverage
- Benefits Underwritten by a Financially Strong Company
- Fast and Accurate Claims Service
- Vision Benefit Included

Prepaid Dental Plan

The prepaid dental plan provides a variety of benefits through participating dentists. You may change your dentist throughout the plan year (see Question 14 on page 65 "How do I change my General Dentist?"). All services must be performed by a participating provider. You will then be responsible for any co-payments which are reduced fees that you will pay directly to the dentist for covered dental procedures. The Prepaid Dental Plan features:

- No Deductibles
- No Claim Forms to File
- No Annual Maximums
- No Waiting Periods
- Some Cosmetic Dentistry Benefits
- Orthodontia for Both Children and Adults
- Participating Provider Directory
- Vision Benefit Included

Important Things to Consider When Making Your Dental Plan Election

You have three dental plans from which to choose. They are:

- 1) Freedom Advance Indemnity Dental Plan
- 2) Freedom Basic Indemnity Dental Plan
- 3) Prepaid Dental Plan

- **A Specialty Benefit Amendment (SBA) is included with the Prepaid Dental Plan for Arizona residents** that allows patients to receive certain services from Assurant contracted specialists for a specific copayment rather than the discounted fee. Specialty Benefit Plan specialists are indicated with an “S” in the provider directory.
- If you are a member of either indemnity dental plan and you want to **spend less for your dental treatments and services**, use an Assurant Dental Health Alliance (DHA) contracted provider who has agreed to “**no balance billing**.” By using a DHA contracted provider, Assurant’s payment and your coinsurance plus any applicable deductible will be deemed **payment in full**. In addition, any services not covered by your ASRS indemnity dental plan, including cosmetic services and additional cleanings, are offered at reduced fees.

To find the most convenient Assurant DHA contracted provider for your indemnity dental plan from the large network of DHA providers, please visit Assurant’s special website at www.dha.com or call 1-800-985-9895.

- **If you are selecting the Prepaid Dental Plan** you must choose a Primary Care Dentist from the Assurant Directory of

Dentists. Once you have chosen a Primary Care Dentist, **you must enter the Dentist ID number from the directory on your enrollment form**. This is very important! It allows Assurant to tell your chosen General Dentist that you will be a new patient and includes your dental plan information on the dentist’s eligibility list called a “roster.”

- The Assurant indemnity dental plans offer freedom of choice to use any eligible licensed dentist or specialist in the United States. However, you may use Assurant’s Dental Health Alliance (DHA) contracted providers to receive additional savings on all your dental treatment services.

Important Information Regarding On-going Dental Care If You Are Newly Enrolled With ASRS

If you are actively undergoing major dental procedures with your current dental provider and the service(s) is not completed prior to the effective date of your dental coverage with ASRS, your current provider may allow that on-going procedure to be a covered expense under your current dental plan even after your termination from your employer’s dental plan. Check with your current dental provider to learn if your procedure qualifies for continued coverage.

Dental procedures you are receiving from your current non-ASRS dental provider **will not be eligible** for benefits through Assurant.



Assurant Dental Plans

Plans	Deductibles	Type I Preventive Services	Type II Basic Services
Freedom Advance*	\$50/\$150	80% paid (deductible waived) Oral Exam (1x/6 mo.) Routine Cleaning (1x/6 mo.) Fluoride Treatment (1x/12 mo. under age 14) Sealants (1x/perm. molar under age 16) X-rays Bitewings (1x/12 mo.) Full Mouth (1x/60 mo.) Space Maintainers (under age 16)	80% paid (deductible applied) New and Replacement Fillings Emergency Treatment (includes exam/x-rays) Oral Surgery Simple Extractions, Surgical Incision & Drainage of abscess, Root Removal on exposed root Endodontics (Root Canals) Periodontics (Treatment of gum disease)
Freedom Basic	\$50/\$150	100% paid (deductible waived) Oral Exam (1x/6mo.) Routine Cleaning (1x/6mo.) Fluoride Treatment (1x/12mo. Under age 14) Sealants (1x/perm. molar under age 16) X-rays Bitewings (1x/12 mo.) Space Maintainers (under age 16)	80% paid (deductible applied) New and Replacement Fillings Emergency Treatment (includes exam/x-rays) Oral Surgery Simple Extractions X-rays Full Mouth (1x/60 mo.) Panoramic (1x/60 mo.) Minor Periodonics Scaling & Root Planing (1x/24 mo.) Periodontic Maintenance (1x/6 mo.)
Arizona Prepaid Dental Plan Option**	No Deductibles	Fixed co-pays \$0 Oral Exam \$0 most individual x-rays \$0 Bacterial Studies \$10 Routine Office Visit \$10 X-rays-complete series \$10 Routine cleaning/adult (1x/6 mo.) \$85 Space Maintainers-fixed*** \$110-\$135 Space Maintainers-removable***	Fixed co-pays \$25 Problem-focused Office Visit \$25-\$130 Fillings (1-4 surfaces) \$185 Cosmetic Bleaching, per arch \$295-395 Root Canal - Molar (excludes final restoration) \$75-\$355 Gingivectomy or Gingivoplasty, per quad \$25 Single tooth extraction \$165-\$200 Removal impacted tooth, complete bony

Notes applicable to Dental Plans Comparison Chart:

*All new enrollees in the Freedom Advance (High Option) indemnity dental plan will start at a 25% coinsurance level for Type III Major each year thereafter.

**Requires you to select a Participating Dental Provider (PDP) when enrolling. In addition, if you are selecting a PDP listed as "roster only,"

***Members are responsible for additional lab fees for these services.

Prepaid Dental Plans are also available in CA, CO, FL, GA, KS, MO, NE, NV, NM, OH, OK, OR, TX, UT. For a copy of the Schedule of Benefits cover of this brochure in the Dental Provider section.

Comparison Chart

Type III Major Services	Orthodontia	Annual combined maximum preventive basic and major benefits
25%/ 50% paid* (deductible applied) Major Restorations Inlays/Onlays, Crowns Bridges/Dentures Initial placement-covered Replacement only if 7 yrs. lapsed from date of installation Complex Oral Surgery	Not Covered	\$2500 per person
Not Covered	Not Covered	\$1000 per person
Fixed co-pays \$25 Problem-focused Office Visit \$245-\$340 Inlays/Onlays*** \$295-Crowns*** \$385-\$495 Dentures*** \$35-\$100 Adjustments/Repairs***	25% discount off UCR Available for both Children & Adults	Benefits available only at participating dentist and specialist offices No Dollar limit

Services for the 1st year of continuous dental coverage and then graduate to 50% for the 2nd year of continuous dental coverage and it takes time to get on the roster after enrollment. You must be on the roster prior to receiving non-emergency care.

and Provider Directory in one of these states, please call the Assurant ASRS on-site representative at the number listed on the inside back

Assurant Vision Service Plan (VSP)



VSP Vision Discount

VSP Vision Discount

Your Assurant Employee Benefits dental plan includes a vision discount benefit through Vision Service Plan (VSP). The vision plan includes examinations at discounted fees and the purchase of eyeglasses, sunglasses and other prescription eyewear at reduced prices when provided by participating Vision Service Plan providers.

Laser VisionCare is offered at a discount and is available through VSP contracted laser centers.

To access benefits, choose any plan provider from the Vision Service Plan list of providers to schedule an appointment. **To locate the VSP contracted provider closest to you, check the VSP website at www.vsp.com. Always take your Assurant dental/vision plan membership card with you.**

You will receive instant savings on eye exams and contact lens exams as well as frames, lenses, lens add-ons, and prescription sun glasses.

There are no claim forms or reimbursement checks. You pay the plan provider the reduced plan fees at the time of service. This plan is NOT insurance.

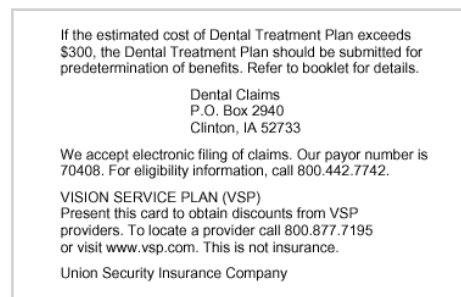
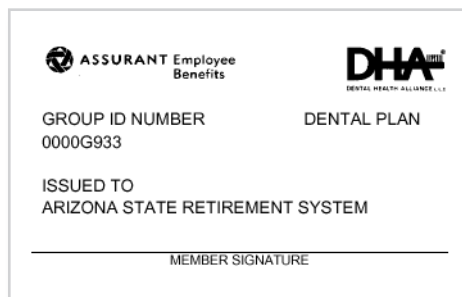
To receive a VSP provider directory or if you have questions please contact Vision Service Plan at 1-800-877-7195.

ASRS Retiree Dental Plans

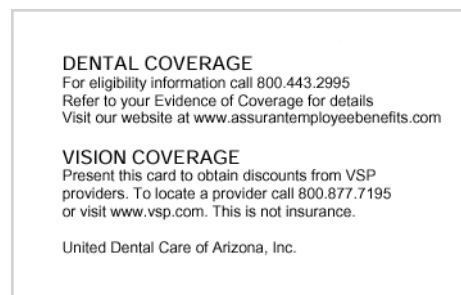
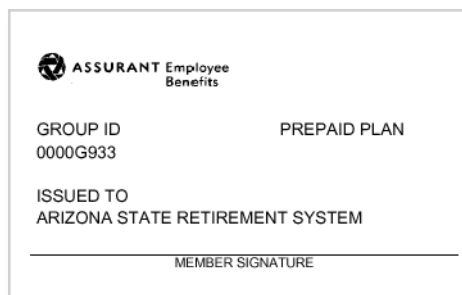
Sample ID Cards

The sample ID cards below show you which ID card belongs to which Assurant-sponsored ASRS retiree dental plan. The card also provides information on Assurant's vision plan offered through Vision Service Plan (VSP). Please see page 47.

For retirees enrolled in Assurant's **Freedom Advance** (High Option) or **Freedom Basic** (Low Option) indemnity dental plan, your ID card looks like this:



For retirees enrolled in Assurant's Arizona **Prepaid** or other eligible state Prepaid dental plans, your ID card looks like this:



Note: Vision Service Plan (VSP) information is located on the back side of each ID card.

Your Medicare Benefits

In order for a Medicare eligible ASRS retiree to be covered by an ASRS medical plan, the retiree and, if family coverage is elected, his/her eligible dependent(s) who qualify for Medicare, must be enrolled in both Parts A and B of Medicare. Failure to enroll in Medicare when the retiree becomes eligible will cause a delay in ASRS medical care coverage.

This page and the next contain a summary of Medicare coverage and premiums currently in effect for 2006. Changes, if any, for 2007 were not available when this brochure was printed. If you wish additional information contact the Centers for Medicare and Medicaid Services (CMS) either by phone 1-800-633-4227 or at their website at www.medicare.gov.

MEDICARE PART A: 2006*

Services	Benefit	Medicare Pays	You Pay
Hospitalization Semiprivate room and board, nursing and other hospital services and supplies.	First 60 days	All costs less \$952	\$952
	61st to 90th day	All costs less \$238/day	\$238/day
	91st to 150th day	All costs less \$476/day	\$476/day
	Beyond 150 days	Nothing	All costs
Skilled Nursing Facility (SNF) Care** Semiprivate room and board, skilled nursing and rehabilitative services and other services and supplies.	First 20 days	100% of approved amount	Nothing
	Additional 80 days	All costs less \$119/day	\$119/day
	Beyond 100 days	Nothing	All costs
Home Health** Part-time skilled nursing, physical therapy, speech-language therapy, home health aide services, durable medical equipment (such as wheelchairs, hospital beds, oxygen, and walkers) and supplies, and other services.	You pay nothing 100% of approved amount for Home Health Care		20% of approved amount for durable medical equipment
	Have questions: Call your Regional Home Health Intermediary. Consult your Medicare booklet.		
Hospice Care** Medical and support services from a Medicare-approved hospice, drugs for symptom control and pain relief, short-term respite care, care in a hospice facility, hospital, or nursing home when necessary, and other services not otherwise covered by Medicare. Home care is also covered.	Copayment of up to \$5 for outpatient prescription drugs. \$5 per day for inpatient respite care (short-term care given to a hospice patient by another caregiver so that the usual caregiver can rest).		
	If you have questions about Hospice care and conditions of coverage, call your Regional Intermediary. Consult your Medicare booklet.		
Blood Given at a hospital or skilled nursing facility during a covered stay.			For the first three pints of blood

* You pay nothing for Part A of Medicare. You paid for Part A while you were employed and making FICA contributions.

** You must meet certain conditions in order for Medicare to cover these services. Consult your Medicare booklet.

Note: Actual amounts *you* must pay are higher if the doctor **does not** accept Medicare assignment.



Your Medicare Benefits

MEDICARE PART B: 2006*

Services	
Medical and Other Services Doctor's services (except for routine physical exams), outpatient medical and surgical services and supplies, diagnostic tests, ambulatory surgery center facility fees for approved procedures, and durable medical equipment (such as wheelchairs, hospital beds, oxygen and walkers). Also covers outpatient physical and occupational therapy including speech-language therapy and mental health services.	You Pay: \$124 deductible (pay per calendar year). <ul style="list-style-type: none">■ 20% of approved amount after the deductible, except in the outpatient setting.■ 20% for all outpatient physical, speech therapy services occupational therapy services.■ 50% for most outpatient mental health services.
Clinical Laboratory Service Blood tests, urinalysis and more.	You Pay: Nothing for Medicare-approved services.
Home Health Care** Part-time skilled care, home health aide services, durable medical equipment when supplied by a home health agency while getting Medicare covered home health care and other services.	You Pay: Nothing for services. 20% of approved amount for durable medical equipment.
Outpatient Hospital Services Services for the diagnosis or treatment of an illness or injury.	You Pay: 20% of approved amount after the deductible.
Blood Pints of blood needed as an outpatient or as part of a Part B covered service.	You Pay: For the first 3 pints of blood, then 20% of the approved amount for additional pints of blood after the deductible.

*For 2006, your monthly Medicare Part B premium is \$88.50.

** You must meet certain conditions in order for Medicare to cover these services. Consult your Medicare booklet.

Note: Actual amounts *you* must pay are higher if the doctor **does not** accept Medicare assignment.



Enroll in the **SilverSneakers® Fitness Program** to help promote better health and maintain your independence. SilverSneakers is **available at no additional cost** for all Arizona State Retirement System retired members and dependents enrolled in ASRS medical plan!

The SilverSneakers Fitness Program

As the nation's leading exercise program designed exclusively for older adults, SilverSneakers includes a basic fitness center membership, specialized SilverSneakers classes, Senior AdvisorSM assistance and much more!

SilverSneakers Steps

If you live outside the areas listed for the SilverSneakers Fitness Program, increase your physical activity by joining **SilverSneakers® Steps**, a self-directed, pedometer-based walking and exercise program.

PRIMESM

Members age 50 to 64 can participate in this innovative, exciting program that will help you manage your health and well-being at no additional cost. Visit our website, www.primemember.com, for more information.



For more information about SilverSneakers or SilverSneakers Steps, log on to www.silversneakers.com.

Participating SilverSneakers fitness centers

Ahwatukee/Foothills
Ahwatukee Foothills YMCA
1030 E. Liberty Ln.
480-759-6762

Apache Junction
Apache Junction
Multigenerational Center
1035 N. Idaho Rd.
480-474-5240

Bullhead City
Mad Dog Fitness
2350 Miracle Mile Dr., Ste. 370
928-704-7717

Casa Grande
Casa Grande Fitness
& Racquet Club
2080 N. Trekell Rd.
520-836-0613

Chandler
Chandler-Gilbert Community
College - Pecos Campus
2626 E. Pecos Rd.
480-732-7200

Chandler (cont.)
Fitness Forum
2130 W. Chandler Blvd.
480-812-0200

Flagstaff
Flagstaff Athletic Club
3200 N. Country Club Dr.
928-526-8652

Fountain Hills
Peaks Fitness
13212 N. Saguaro Blvd.
480-816-3348

Gilbert
Fitness Works - Gilbert
1668 N. Higley Rd.
480-217-8288

Glendale
Glendale Community College
Fitness Center
6000 W. Olive Ave.
623-845-3801

Glendale/Peoria YMCA
14711 N. 59th Ave.
602-588-9622

Goodyear
Infinity Fitness Center
255 N. Litchfield Rd.
623-882-3700

Southwest Valley Regional YMCA
2919 N. Litchfield Rd.
623-935-5193

Green Valley
FIT - Green Valley
1055 N. La Canada Dr., Ste. 125
520-648-1887

Lake Havasu City
London Bridge Racquet
& Fitness Club
1407 McCulloch Blvd.
928-855-6274

Mesa
Fitness Works
112 E. McKellips, Bldg. 2
480-644-1901

Fitness Works
6040 E. Brown Rd.
480-807-5080

Participating SilverSneakers fitness centers

Mesa (cont.)
Golden's Family Fitness
 931 S. Gilbert Rd.
 480-497-9989

Mesa Family YMCA
 207 N. Mesa Dr.
 480-969-8166

Red Mountain
Multigenerational Center
 7550 E. Adobe
 480-644-4810

Peoria
Fitness One
 9028 W. Union Hills Dr., Ste. 1
 623-376-7888

Phoenix
Bally Total Fitness - Cave Creek
 12235 N. Cave Creek Rd.
 602-482-1151

Bally Total Fitness - Estes
 15401 N. 29th Ave.
 Arizona Business Park
 602-993-3366

Bally Total Fitness - Indian School
 3921 E. Indian School Rd.
 602-956-4116

Chris-Town YMCA
 5517 N. 17th Ave.
 602-242-7717

Fitness West
 6850 W. Indian School Rd.
 623-846-6884

Lincoln Family Phoenix
Downtown YMCA
 350 N. 1st Ave.
 602-257-5138

Paradise Valley Community
College Fitness Center
 18401 N. 32nd St.
 602-787-7270

Phantom Horse Athletic Club
 7777 S. Pointe Pkwy.
 602-431-6484

Phoenix (cont.)
Phoenix College Fitness Center
 1202 W. Thomas Rd.
 602-285-7646

South Mountain YMCA
 222 E. Olympic Dr.
 602-276-4246

Prescott
Territorial Fitness Club
 130 N. Cortez
 928-445-0204

Prescott Valley
Anytime Fitness - Prescott Valley
 6715 E. 2nd St., Ste. A
 928-443-5701

Queen Creek
Copper Basin YMCA
 28300 N. Main St.
 480-882-2242

Scottsdale
Scottsdale Community College
Fitness Center
 9000 E. Chaparral Rd.
 480-423-6604

Scottsdale/Paradise Valley YMCA
 6869 E. Shea Blvd.
 480-951-9622

Sun Lakes
MaxLife Fitness Program in
the Oakwood Health Club
 24210 S. Oakwood Blvd.
 480-802-6853

Surprise
Fitness One
 12851 W. Bell Rd., Ste. 22
 623-977-7588

Tempe
Tempe YMCA
 7070 S. Rural Rd.
 480-730-0240

Tucson
Arizona Swim and Fitness
 1290 W. Prince
 520-408-2888

Tucson (cont.)
Desert Sports & Fitness
 2480 N. Pantano Rd.
 520-722-6300

Desert Sports & Fitness
 3672 S. 16th Ave.
 520-791-7799

FIT at the River
 4892 N. Stone Ave.
 Ste. 160
 520-690-9299

FitCenter
 5555 E. 5th St.
 520-571-7000

Gold's Gym Northwest
 7315 N. Oracle Rd.
 520-297-8000

Lighthouse/City YMCA
 2900 N. Columbus Blvd.
 520-795-9725

Lohse Family YMCA
 60 W. Alameda St.
 520-623-5200

Mid-Valley
Athletic Club
 140 S. Tucson Blvd.
 520-792-3654

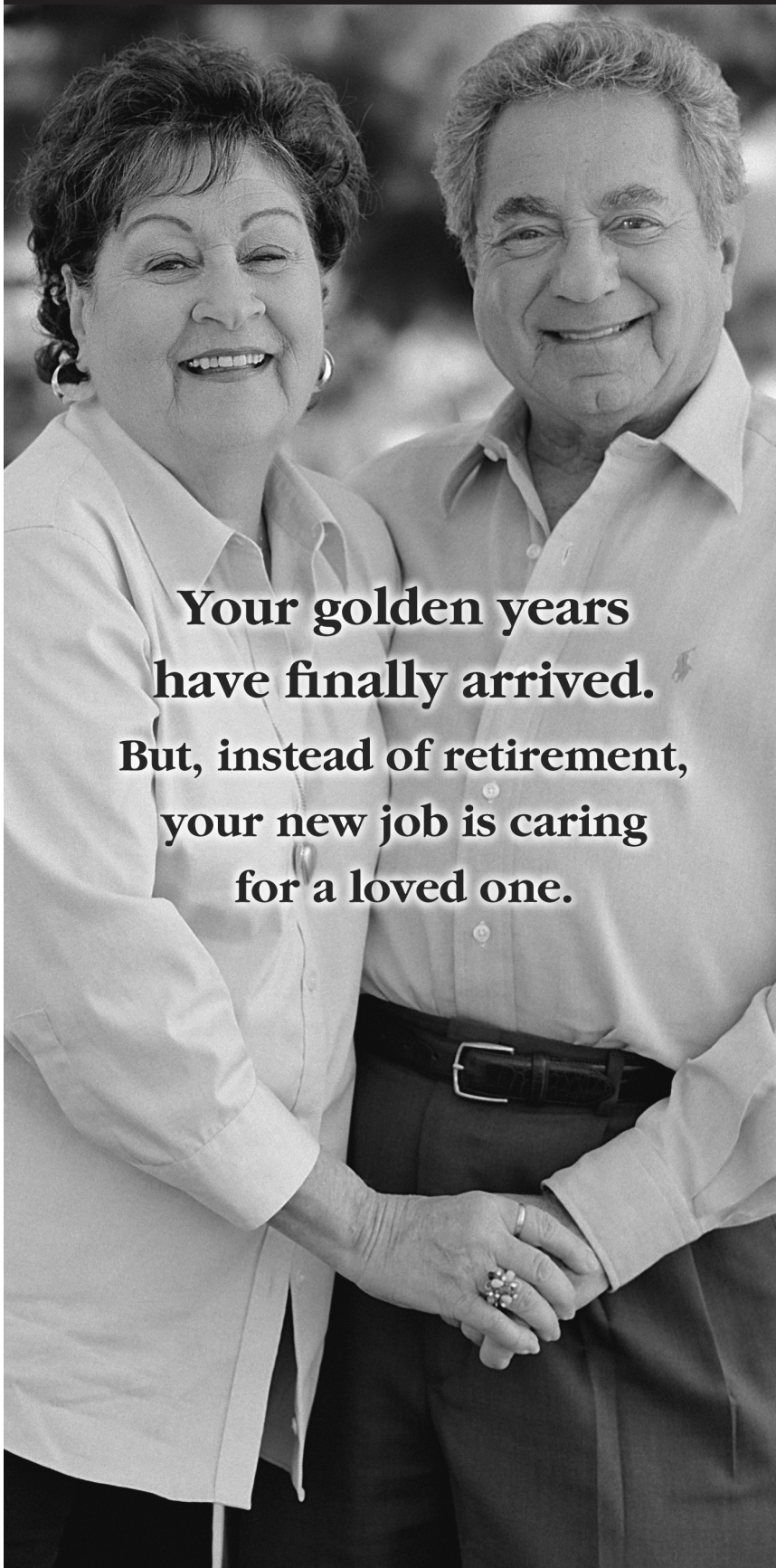
Northwest Family YMCA
 7770 N. Shannon Rd.
 520-229-9001

Ott Family YMCA
 401 S. Prudence
 520-885-2317

Tucson Jewish Community Center
 3800 E. River Rd.
 520-299-3000

Yuma
Yuma Family YMCA
 2550 S. 4th Ave.
 928-317-0522

Fitness centers are subject to change. Log on to www.silversneakers.com for current listing.



**Your golden years
have finally arrived.
But, instead of retirement,
your new job is caring
for a loved one.**



Solutions for Caregivers

If you are one of the 44 million Americans who is a caregiver, where can you turn for help?

Retirement should mean more time to spend with family and friends. But for some of us, caring for a spouse, parent or other family member can become a full-time job. If you are caring for an older loved one, you can feel overwhelmed and alone. You can also neglect your own health and well-being. Knowing where to turn and how to get help can be a time-consuming and stressful job. Statistics show that two out of three caregivers report significant health problems caused by stress, depression, and exhaustion.

Now there is a program to help you – the caregiver:

- If you are the caregiver for a loved one.
 - If someone close to you is a caregiver for you.
 - If you just need assistance for yourself.
- We can help.

Evercare Solutions for Caregivers is a resource provided to you through your employer's group retiree program. One phone call puts you in touch with caregiving experts who can:

- Understand your loved one's needs and the best way to meet them.
- Prioritize your own needs, responsibilities and concerns.
- Access expert advice and assistance on a timely basis.
- Find the services you need for your family or for yourself.



Solutions for Caregivers

You can call whether you are the member or your loved one is the member. Take a look on the back for more information about how to enroll in a health plan which includes Evercare Solutions for Caregivers and get the help you need today.

Specialized expertise and services for those who need care — and for those who provide it.

Care Resource Center for Unlimited Telephonic Support

The Care Resource Center is unlimited 24 hours a day, 7 days a week tollfree telephonic support with a senior care specialist who can:

- Conduct personalized research into community programs that fit your loved one's needs and financial situation.
- Save you time by identifying and screening services — such as meal delivery, transportation and housekeeping.
- Coach you on how to deal with family issues and the stress of caregiving.
- Connect you to a network of trained Professional Care Managers in all 50 states.
- Refer you to our nationwide network of contracted local Elder Law attorneys.

Elder Law Attorney Counsel and Service

Evercare Solutions for Caregivers offers access to a nationwide contracted network of Elder Law attorneys who can:

- Provide up to two hours on four topics of free counseling per eligibility year.
- Provide cost-free preparation of up to four each of Simple Wills or Living Wills per eligibility year.
- Consult with you and then prepare up to four of the following documents per your individual needs (for a \$35 per document fee paid directly to the contracted attorney) per eligibility year:
 - Durable Power of Attorney — Health Care Durable Power of Attorney
 - Financial Durable Power of Attorney — Health Care Directive

Professional Care Managers for In-Person Expert Help

When you need more — we can connect you to our contracted nationwide network of Professional Care Managers who can:

- Conduct a needs assessment of your loved one in their home and provide you with a comprehensive care plan.
- Coordinate local services — including community, public and private sector services.
- Review alternative living facilities so you can compare and make the most informed decision.
- Advise on home accommodations or arrange for in-home support following your or a loved one's discharge from the hospital.

Evercare® plans are offered by United HealthCare Insurance Company, or one or more of its affiliated companies (including PacifiCare and Oxford licensed HMOs and insurance companies).

**Help is just a phone call away.
1-866-896-1895**

Pension Checks

Don't forget to verify your January, 2007 pension check for the correct premium for the coverage(s) you elected. If you feel that your pension check is not accurate, you must notify ASRS or, if applicable, PSPRS Member Services

within 30 days of your pension check change. **Changes or additions requested beyond 30 days will only be allowed if there is a Qualifying Event (see page 9).**

Your Pension Check, Health Insurance Premiums, and Premium Benefits

If you are an ASRS retiree, you may believe that the ASRS is charging the full cost of health insurance because your pension check Payment Summary shows the full cost of health care plan premiums under the "Deductions" column.

However, under the "Payments" column of your pension check Payment Summary, please note the inclusion of additional monies reflected in the PREM BEN (basic premium benefit) and, if

applicable, NONSRVPB (non-service area premium benefit or rural subsidy). These two amounts are the premium benefits to which you may be entitled and they offset or reduce the full monthly medical and/or dental premiums you pay.

Though the total premium for health insurance is shown **you are only paying the net premium after the premium benefit(s) is applied.**

ASRS Pension Checks

Below is an example of an ASRS pension check. Please note, under the Payments column, the inclusion of additional monies reflected in the premium benefit (PREM BEN). Also note, under the Deductions column, the full health insurance premium for your medical and/or dental coverage (HI PREM).

However, retirees are only paying the net premium after the premium benefit is applied.



Arizona State Retirement System
P.O. Box 33910
Phoenix, AZ 85067-3910
(602) 240-2000 (within metro Phoenix)
(520) 239-3100 (within metro Tucson)
(800) 621-3778 (toll-free outside metro
Phoenix and Tucson)

NAME AND ADDRESS

ASRS RETIRED MEMBER
1234 YOUR STREET
ANYTOWN USA, AZ 85733

2 0948---

PAYMENT SUMMARY

ACCOUNT NUMBER 000810 001
SOC SEC NUMBER 0001

DATE OF CHECK 03/01/06
ASRS RETIRED MEMBER

PAYMENTS	CURRENT	YEAR TO DATE	DEDUCTIONS	CURRENT	YEAR TO DATE
ANNUITY	1,250.00	2,500.00	FED TAX	75.00	150.00
PLN COLA	43.75	87.50	AZ TAX	25.00	50.00
EXCLUS	52.67	105.34	HI PREM	137.48	274.96
PREM BEN	100.00	200.00			
TOTAL	1,446.42	2,892.84	TOTAL	237.48	474.96

**** NET CHECK AMOUNT *****1,208.94

THE PREMIUM BENEFIT AMOUNT IS NOT TAXABLE INCOME TO THE RECIPIENT.

PREM BEN: Premium Benefit provided to you which is applied to the cost of the monthly health insurance premium for your medical and dental plan coverage.

HI PREM: Total Health Insurance Premium for the medical and dental plans in which you are enrolled before PREM BEN is applied.

(Detach Here)



Arizona State Retirement System
P.O. Box 33910
Phoenix, AZ 85067-3910
(602) 240-2000 (within metro Phoenix)
(520) 239-3100 (within metro Tucson)
(800) 621-3778 (toll-free outside metro
Phoenix and Tucson)

60-160/433

NOT VALID BEFORE OR
180 DAYS AFTER

CHECK DATE
03/01/2006

CHECK NUMBER
0004355467

VOID VOID VOID VOID VOID VOID VOID VOID VOID VOID VOID VOID VOID VOID VOID VOID

PAYABLE IN U.S. DOLLARS

000810 001
0001

\$***1,208.94

TO
THE
ORDER
OF:

ASRS RETIRED MEMBER
1234 YOUR STREET
ANYTOWN USA, AZ 85733

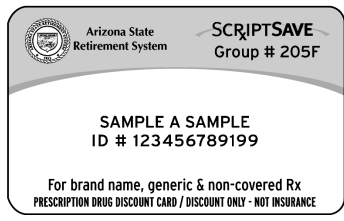
MELLON BANK, N.A.
PITTSBURGH, PENNSYLVANIA

AUTHORIZED AGENT

SCRIPTSAVE

AMERICA'S PREMIER PRESCRIPTION SAVINGS PROGRAM

You and your family can receive valuable savings on your prescriptions by using the ScriptSave Prescription Drug Discount Card!



ASRS is pleased to continue to offer prescription savings to retirees through ScriptSave, an Arizona-based prescription savings program. Since 2001, when ASRS began providing the ScriptSave card, **retirees have saved more than \$1.5 million on their prescriptions!**

With ScriptSave you'll receive:

- Average savings of 21%, with potential savings of up to 50%.*
- Discounts on both brand name and generic prescriptions.
- Access to more than 50,000 participating pharmacies nationwide, including both chain and independent retail pharmacies.
- Savings for everyone in your household.
- Instant discounts at the time of purchase; with no forms to fill out or paperwork to submit, and no limits on usage.

Best of all, the ASRS provides you with a ScriptSave card at **NO COST!**

Whether or not you have a medical insurance plan with the ASRS, you can save with ScriptSave.

If you are enrolled in PacifiCare's Senior Supplement Plan, **use your ScriptSave card** for prescriptions after you have met your annual maximum prescription drug benefit limit.

If you are not enrolled in a medical insurance plan with the ASRS, **use your ScriptSave card** for any prescription you pay for out-of-pocket. Or, if you have other insurance coverage, **use your card** for any prescriptions that are not covered by your insurance.

Also, remember that any member of your household can **use your ScriptSave card** for savings on their prescriptions.

As a ScriptSave cardholder, you can also receive access to free health and wellness information, as well as valuable discounts and coupons on both prescription and over-the-counter medications.

Additionally, ScriptSave's free Value Preferred Program may save you even more. ScriptSave has identified a selection of medications that may offer additional savings and has created a Value Preferred Medications List you can discuss with your healthcare provider.

To find the pharmacy closest to you or if you have lost or misplaced your ScriptSave card, please call ScriptSave Customer Care at 1-800-700-3957. Or, visit ScriptSave's website at www.scriptsav.com.

* Based on 2004 national program savings data.

This program is not an insurance policy and does not provide insurance coverage. Discounts are available exclusively through participating pharmacies.

Glossary

Allowable Amount Term used by some health care plans (both medical and dental plans) to determine the amount of the Billed Charge which would be considered Usual, Customary, and Reasonable (see page 50 for definition). Term may also be known as the allowable charge.

Balance Billing Billing a patient for the difference between the dentist's actual charge and the amount allowed or paid by the patient's dental benefits plan. Balance billing is not allowed with a participating DHA dental provider contracted with the Assurant Dental Plan.

Billed Charge The amount the provider bills for services rendered.

Coinsurance The percent of the allowable amount to be paid by the insurance company and the patient; i.e., 60/40 or 80/20. (The first percentage is paid by the company; 60 or 80.)

Copayment The fixed fee that must be paid to the provider at the time services are provided, such as the pharmacy for a prescription.

Deductible The initial amount the patient must pay out of their pocket for covered services before benefits are payable by the insurance carrier.

Emergency Defined by each plan in accordance with their standard definitions.

Health Maintenance Organization (HMO) A medical plan providing comprehensive medical benefits, including preventive care, when you agree to use a select group of network providers. Generally, all care is directed by your chosen Primary Care Physician (PCP). Your PCP will refer you to a specialist if medically appropriate.

Indemnity Dental Plan A dental plan that allows you to choose any eligible licensed provider in the United States to receive care. Members and dentists are reimbursed for eligible dental expenses according to the benefit schedule in effect, allowing for deductibles and coinsurance.

Indemnity Medical Plan A medical plan that allows you to choose any eligible licensed provider to receive care. Members are reimbursed for eligible medical expenses according to the benefit schedule in effect, allowing for deductibles and coinsurance.

In-Network Services provided by a contracted provider in accordance with all plan requirements.

Medicaid A state-run health insurance program designed primarily to help those with low income and little or no resources. The federal government helps pay for Medicaid, but each state has its own rules about who is eligible and what is covered under Medicaid. Some people qualify for both Medicare and Medicaid.

Medicare Our country's health insurance program for people age 65 or older, certain people with disabilities who are under age 65 and people of any age who have permanent kidney failure. It provides basic protection against the cost of health care, but it doesn't cover all medical expenses or the cost of most long-term care.

Medicare is financed by a portion of Federal Insurance Contributions Act (FICA) taxes, or payroll taxes, paid by workers and their employers. It also is financed in part by monthly premiums paid by beneficiaries.

The Centers for Medicare and Medicaid Services (CMS) is the federal agency responsible for managing both Medicare and Medicaid.

Glossary Continued...

There are three parts of Medicare. They are:

- **Hospital Insurance** (also called Medicare “Part A”), which helps pay for care in a hospital and skilled nursing facility, home health care and hospice care;
- **Medical Insurance** (also called Medicare “Part B”), which helps pay for doctors, outpatient hospital care and other medical services. Medicare requires that you pay a monthly premium for the Part B coverage.
- **Prescription Drug Insurance** (also called Medicare “Part D”), which helps pay a portion of prescription drug expenses after satisfying a calendar year deductible. Medicare requires that you pay a monthly premium for the Part D coverage. ASRS enrolled members do not have to purchase separate Part D coverage as each ASRS Medicare-eligible medical plan provides a similar prescription drug program.

Medicare Advantage Plan A health maintenance organization (HMO) plan authorized by the Centers for Medicare and Medicaid Services (CMS), the federal agency in charge of these programs, to become the member’s Medicare provider. Members must maintain Parts A and B of Medicare while enrolled in the Medicare Advantage Plan. Generally, the plan provides prescription and other benefits beyond Medicare Parts A and B coverage.

Non-Participating Provider A provider with no contractual limitation on what he/she may bill and thus may practice balance-billing, as well as require payment at the time services are rendered.

Participating Dental Specialist A specialized provider, such as an endodontist, periodontist, or oral surgeon, with a contractual limitation on what he/she bill the patient for services covered by the prepaid dental plan.

Pre-Estimate of Benefits (Indemnity Dental plan only) Whenever the estimated cost of a recommended Dental Treatment Plan exceeds \$300, the treatment plan should be submitted to the insurance carrier for review. This permits the carrier to review the treatment plan for alternative treatment procedures, which may be less costly, provided they do not affect the quality of care. The member knows in advance what his/her financial responsibility for the treatment will be prior to the actual services being performed.

Preferred Provider A provider who has signed an agreement with the insurance carrier not to charge that carrier’s members more than the insurer’s Allowable Amount.

Precertification Review A process that verifies the medical necessity and appropriateness of proposed services or supplies.

Pre-Existing Condition is any illness or injury (whether physical or mental) regardless of its cause, for which medical advice, diagnosis, care, or treatment including prescription medications were recommended, received, or taken within the six (6) month period immediately preceding the date your ASRS coverage begins. If it is determined that you or any of your covered dependents have a pre-existing condition, no expenses related to that pre-existing condition will be covered by the ASRS medical plan before twelve (12) consecutive months of coverage have elapsed.

Glossary Continued...

Preferred Provider Organization (PPO)

Plan A plan that provides benefits in an indemnity fashion, but pays a higher percentage of the cost of services if patients use a PPO-network provider than if they use non-PPO providers. **If you go to a provider who is a member of the PPO network**, after you first satisfy a deductible, the plan generally pays 80 or 70 percent of the cost for care and you pay 20 or 30 percent. **If you go to a provider who is not a member of the PPO network**, after you first satisfy a deductible, the plan generally pays 50 or 60 percent of the cost for care and you pay 50 or 40 percent.

Prepaid Dental Plan A dental plan that allows reduced payment for dental services from members who agree to use dentists in the plan's provider network. Generally, dental care is provided through your chosen general dentist. Preventive services sought in accordance with the plan's schedule of benefits are generally provided at no cost or low cost to the member. Members pay according to a set schedule for restorative services. Certain major restorative services may be provided by a specialized dentist at a higher cost to the member.

Primary Care Physician (PCP) The physician responsible in an HMO plan for directing all patient care including referrals to specialists and obtaining necessary pre-certifications. This physician is a General Practice, Family Practice, Pediatric or Internal Medicine specialist. Women can self-refer to an in-network OB/GYN.

Prophylaxis A routine cleaning procedure that includes light scraping (scaling) of the teeth to remove plaque and calculus/tartar. This procedure should be performed at least every six months.

Rehabilitation Usually physical therapy, speech therapy and/or occupational therapy.

Secure Horizons Disenrollment Form must be completed and signed by all Medicare eligible retirees and/or dependents who are currently enrolled in a Medicare Advantage Plan or the Secure Horizons Direct Plan and who are dropping that coverage to return to traditional Medicare. This form requests that your health care coverage revert back to the traditional Medicare fee-for-service program. The effective date will be the first day of the month following receipt of the Disenrollment Form, unless a future date is requested.

Specialty Benefit Amendment A special amendment added to the pre-paid dental plan's Schedule of Benefits that allows patients to receive select major dental services from Assurant contracted specialists for a specific copayment, available to Arizona residents only.



Glossary Continued...

Statement of Understanding (SOU) If you are enrolling in the Medicare Advantage Plan, you are required to sign and submit a Statement of Understanding along with your 2007 Enrollment Form. This is a federal government requirement mandated by the Centers for Medicare and Medicaid Services (CMS), the federal agency responsible for these programs. The SOU summarizes the fundamental terms and conditions of your coverage. For the Medicare Advantage Plan, the SOU explains that, with the exception of emergency or out-of-area urgently needed care, services must be provided by your Primary Care Physician (PCP) or other PacifiCare contracted providers. If you receive services or treatments without precertification from PacifiCare's contracted providers, the cost of those services or treatments would not be reimbursed by PacifiCare or Medicare.

Usual, Customary and Reasonable (UCR) A charge which is based on the general level of charges made by other providers in the area for like treatment, procedures, services, and or supplies, also known as the Allowable Amount or allowable charge. The insurance carrier's determination of the UCR is final for the purpose of determining benefits payable under the insurance carrier's policy.

Frequently Asked Questions

1. *If I don't enroll by the November 3, 2006 deadline, what will happen?*

If you wish, or are required, to make a plan change and you fail to submit your completed Enrollment Form by the close date, your election(s) will not become effective. Consequently, you **will not have the coverage you wanted and needed** beginning January 1, 2007.

2. *Can't I just enroll in the medical plan (or dental plan) I want on the Enrollment Form without having to complete the dental plan (or medical plan) portion because I'm not changing that coverage?*

Please read this! Complete the Enrollment Form in its entirety. Even if you are only changing from one medical plan to another medical plan or from one dental plan to another dental plan, fill out the form completely. Be thorough. If, in fact, you are declining coverage for 2007, please check the appropriate box(es) at the top of the Enrollment Form. A properly completed Enrollment Form must be received by the ASRS or, if applicable, PSPRS, or be postmarked no later than midnight, Friday, November 3, 2006.

3. *Do I qualify for the temporary "non-service area" premium benefit?*

Determination of eligibility for the temporary, additional premium benefit requires that an enrolled Medicare eligible retired member reside in an area **within this state** in which a health maintenance organization (HMO) does not provide a contracted physician network available to serve the medical needs of its subscribers. If your primary residence is in a "non-service area," then you and, possibly, your eligible enrolled dependents, may be eligible for this additional premium benefit or rural subsidy. Under current legislation, this additional premium benefit is scheduled to expire on June 30, 2007.

4. *What is the best way to determine which medical plan is right for me?*

There's a lot to consider. The key is for you to look at your own situation, study what the plans offer, and their corresponding premiums, where the plans offer coverage (i.e., in which AZ county or out-of-state), and decide what is best for you.

Frequently Asked Questions Continued...

5. *Both my spouse and I are ASRS retirees. What are our enrollment options?*

The ASRS Premium Benefit Program provides the greater of 2 single premium benefits or 1 family premium benefit to each retiree. Such retirees can receive the greatest application of the premium benefit program with one retiree enrolling in a medical plan choosing family coverage and with the other retiree enrolling in a dental plan choosing family coverage.

6. *My current coverage will continue to be provided by my Participating Employer. What do I need to do?*

Some employers do not permit retirees to continue health insurance coverage at retirement. Other employers allow retirees coverage for a specific period of time. Review with your Participating Employer continuing eligibility. If you continue health insurance with your employer, complete a health insurance application with them. It is important you know how long you may continue coverage with your Participating Employer.

Once you drop your Participating Employer's health insurance coverage, you may not be eligible to return to their plan. (NOTE: You are eligible to enroll in ASRS health insurance at the time of retirement, during open enrollment, or if you have a qualifying event.)

7. *What should I do if my spouse has benefits through another employer?*

Coordinate your coverages. Study what your spouse has, then decide which ASRS retiree health insurance options provide you with the most appropriate overall coverage. It is usually best to pick coverage that complements, not duplicates, the other coverage.

8. *What restrictions are applicable to non-Medicare eligible retirees and dependents who live in "rural" Arizona for enrollment in PacifiCare's non-Medicare HMO medical plans?*

Non-Medicare eligible retirees and dependents who live in "rural" Arizona may enroll in PacifiCare's Health Maintenance Organization (HMO) medical plan provided the member understands and agrees that:

- All medical services are rendered and received at an office or facility within the chosen HMO service area and designated or referred by the HMO, and
- All non-emergency and/or non-urgent travel, ambulatory and other expenses incurred by the member from the residence area of the member to the designated office or facility designated or referred by the HMO are the responsibility of and at the expense of the member. These expenses will not be reimbursed by PacifiCare.



Frequently Asked Questions Continued...

9. *I'm enrolling for family coverage in the HMO. May I select one Primary Care Physician (PCP) for my whole family?*

While you may select one PCP for your whole family, you may want to choose different PCPs for each family member. Each covered family member may have his or her own PCP. You will need to record a PCP for each covered family member, even if you all use the same one, on the Enrollment Form in the "listing of eligible individuals to be enrolled" section near the bottom of the form.

10. *If I am enrolled in PacifiCare's HMO Plan or in the Medicare Advantage Plan, I must choose a Primary Care Physician (PCP). What kind of doctors are available from which to choose when selecting a PCP?*

Your medical plan PCP is responsible for coordinating all of your medical care, including referrals to specialists and obtaining necessary prior authorizations. PCPs are Family Practice, General Practice, Internal Medicine or Pediatric Physicians. Women may self-refer to an in-network OB/GYN.

11. *How can I get a directory of PacifiCare providers?*

Contact PacifiCare at 1-800-347-8600 or access their website at www.pacificare.com. Please specify the PPO or HMO provider directory you wish to receive. Please remember that a copy of a provider directory is only accurate as of the date it was printed. Updated directories are on-line. You may call the physician you wish to select to verify their participation and availability. Also, you may call PacifiCare to learn of physicians in your area who may be new to the network or who may be accepting new patients.

12. *I'm enrolling for family coverage in the Assurant Prepaid Dental Plan. Can I select a General Dentist for my whole family?*

Prepaid Dental: While you may select one General Dentist for everyone, you may want to choose a different General Dentist for each family member. Each covered family member can have his or her own General Dentist.

Frequently Asked Questions Continued...

13. What kind of dentist may I choose when selecting a General Dentist?

Prepaid Dental: With your Assurant prepaid dental plan, you need to select a General Dentist from the list of contracted providers. Simply choose a provider from the provider directory and list the dentist ID# on your Enrollment Form. To get a directory, please call the Assurant ASRS on-site representative at the number listed on the inside back cover of this brochure.

Indemnity Dental: With your Assurant indemnity dental plan, you have complete freedom-of-choice in dental providers. You have access to any eligible licensed general dentist or specialist in the United States. Assurant strongly suggests that whenever the cost of any recommended dental care exceeds \$300, a dental treatment plan be submitted for review before treatment begins. This pre-estimate of benefits will inform you of your out-of-pocket costs.

14. How do I change my General Dentist?

Prepaid Dental: Call Assurant at 1-800-443-2995 to change General Dentists. Requests must be received by the 20th day of the month to be effective the 1st day of the following month. Requests received after the 20th of the month will be effective on the 1st day of the 2nd month. Remember, if you would like to change your General Dentist, you must contact Assurant before making an appointment with your new General Dentist.

Indemnity Dental: The plan provides complete freedom-of-choice in providers. No selection is necessary.

15. How do I use my General Dentist?

Prepaid Dental: Your General Dentist is responsible for maintaining your dental health. Should you need a specialist (periodontics, endodontics, oral surgery, orthodontia), you may self-refer for dental care. You are encouraged to discuss all your dental health needs with your General Dentist. He/she will be happy to work with you to assure you understand your dental health needs. Assurant's provider directory lists all dental providers. The contracted providers are credentialed by Assurant provider relations staff to assure they meet corporate standards.

Indemnity Dental: You have access to dental care from any eligible licensed dentist or specialist in the United States. However, you may use Assurant's Dental Health Alliance (DHA) contracted providers to receive additional savings on all your dental treatment and services. Participating DHA dentists will discount their fees to a maximum of 20%.

Call 1-800-985-9895 or visit the Assurant special website at www.dha.com to locate a contracted provider near you.

Frequently Asked Questions Continued...

16. *What is the procedure if I need to see a Specialist?*

Prepaid Dental: You do not need a referral from your General Dentist to see a participating dental specialist. Contracted dental specialists are listed in the Assurant provider directory alphabetically by city and specialty, e.g. (endodontics, oral surgery, periodontics) The contracted specialist will charge you the specialty care copayments listed on your Schedule of Benefits. Speciality Benefit Plan specialists are indicated with an “S” in the provider directory. For services not listed on the Schedule of Benefits, the specialist will offer a 25% discount (15% for endodontic care) off their usual and customary charge (UCR). Benefits for specialty care are not available from non-contracted dentists. Orthodontic care is offered to adults and children at a 25% discount from the dentist’s UCR fee.

Indemnity Dental: You have access to dental care from any eligible licensed dentist or specialist in the United States. However, you may use Assurant’s Dental Health Alliance (DHA) contracted providers to receive additional savings on all your dental treatment and services. Participating DHA dentists will discount their fees to a maximum of 20%.

Call 1-800-985-9895 or visit the Assurant special website at www.dha.com to locate a contracted provider near you.

17. *How much and when do I have to pay for my dental visit?*

Prepaid Dental: You will be charged according to your Schedule of Benefits on the Prepaid Dental Plan. Please discuss all charges with your General Dentist before the services are performed. Payment for dental services is due at the time treatment is rendered. Dental services not listed on your Schedule of Benefits are NOT covered.

Indemnity Dental: Most dentists will file your dental claims for you and charge you your coinsurance and any deductible that may apply. You will receive an Explanation of Benefits after Assurant pays the claim which will show you what benefits have been covered and the amount for which you are responsible.

18. *What is an emergency/problem focused dental exam?*

It is a dental exam, other than an initial or periodic exam, which is limited to a specific oral health problem. An emergency/problem focused dental exam is the sudden and unexpected onset of an acute condition involving severe pain, requiring immediate dental care for temporary pain relief. For the prepaid plan only, dental appointments are on an availability only basis and at a \$25 copayment fee.

Frequently Asked Questions Continued...

19. *How can I get a directory of Assurant dental providers?*

Prepaid Dental: Call 1-800-443-2995 or access the Assurant website at www.assurantemployeebenefits.com.

Indemnity Dental: You have access to dental care from any eligible licensed dentist or specialist in the United States. However, you may use Assurant's Dental Health Alliance (DHA) contracted providers to receive additional savings on all your dental treatment and services. Call 1-800-985-9895 or visit Assurant's special website at www.dha.com to locate a contracted provider near you.

20. *What should I tell my dependent beneficiary to do about my pension benefits and health insurance coverage in the event of my death?*

There is no quick or simple answer. Your dependent beneficiary is encouraged to contact ASRS Member Services or PSPRS Member Services Staff, if applicable, at the time of your death. Decisions will have to be made regarding continuation of pension benefits if you elected a pension option other than straight life annuity. Likewise, continuation of or enrollment in an ASRS retiree health care plan by your beneficiary must be decided within six (6) months of your death. Also, if you elected a reduced premium benefit, your beneficiary may be entitled to a continuation of that benefit. Your beneficiary will need to provide certified copies of your death certificate to affect any change in your pension or health insurance benefits.

21. *How long may I cover my dependents on my health insurance plan(s)?*

You may provide coverage to your lawful spouse and unmarried children (natural born, legally adopted, placed for adoption, legal guardian status) who reside with you on a permanent basis and depend on you for support and maintenance.

Dependent children are covered through the end of the month of their 19th birthday unless they meet the student status criteria. An unmarried dependent who is registered on a full-time basis (at least twelve (12) semester units) at an accredited school or college may continue as an eligible dependent through the end of the month of their 25th birthday, if proof of such status is provided on a periodic basis.

Coverage for disabled dependent children may continue provided the unmarried dependent lives with you, is incapable of self-sustaining employment by reason of physical handicap or mental retardation, is chiefly dependent on you for support and maintenance, and the mental or physical condition existed continuously prior to reaching the respective limiting age.

Telephone Numbers & Websites

For Retirees, LTD Recipients, and Eligible Dependents

Remember when calling the insurance carriers, tell them you are an ASRS member.

Carrier	Member Services	Internet Address
Medical Provider		
PacifiCare of Arizona		www.pacificare.com
Weekdays 7am – 8pm MST		
HMO Plans	1-800-347-8600	
PPO Plan	1-866-316-9776	
Indemnity Plan	1-866-316-9776	
Senior Supplement Plan	1-800-851-3802	
Weekdays 7am – 9pm MST		
ASRS retirees should call		
ASRS On-Site Representatives		
Weekdays 8am – 5pm MST	1-602-240-2000 (Phoenix area)	
	1-520-239-3100 (Tucson area)	
	1-800-621-3778 (Out of area)	
Dental Provider		
Assurant Employee Benefits		www.assurantemployeebenefits.com
Weekdays 7am – 5pm CST		
Indemnity Dental Claims	1-800-442-7742	
PPO Dental Providers (DHA)	1-800-985-9895	www.dha.com
Pre-Paid Dental	1-800-443-2995	
Vision Discount Services	1-800-877-7195	www.vsp.com
ASRS retirees should call		
ASRS On-Site Representative	1-602-240-2000, ext. 2032	
Weekdays 8am – 5pm MST	1-520-239-3100, ext. 2032	
	1-800-621-3778, ext. 2032	
Prescription Discount Card		
ScriptSave	1-800-700-3957	www.scriptsav.com
Weekdays 9am – 8pm EST		
Saturday 10am – 3pm EST		
ASRS Member Services - for Open Enrollment questions		
Phoenix Area	1-602-240-5350	www.azasrs.gov
Tucson Area	1-520-239-3100, ext. 5350	
Out-of-Area	1-800-621-3778, ext. 5350	
TTY Users	1-602-240-5333	
Weekdays 8am – 5pm MST		
PSPRS, CORP and EORP Benefits Office		
Weekdays 8am – 5pm MST	1-602-255-5575	www.psprs.com
ADOA Benefits Office		
Weekdays 8am – 5pm MST	1-602-542-5008	www.benefitoptions.az.gov
	1-800-304-3687	
Other Helpful Numbers and Websites		
Social Security	1-800-772-1213	www.ssa.gov
Medicare	1-800-633-4227	www.medicare.gov

Arizona State Retirement System

Member Services Division
3300 North Central Avenue
Phoenix, AZ 85012

Member Services Division
7660 East Broadway Blvd., Ste 108
Tucson, AZ 85710